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## Southeast Asia Report

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4 March 1986

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INDONESIA

MP'S WELCOME SUHARTO-REAGAN MEETING

Jakarta ANTARA NEWS BULLETIN in English 26 Jan 86 pp A3, A4

[Text] Jakarta, 25 Jan (ANTARA)--Members of the Indonesian parliament (DPR) Saturday expressed delight over Soeharto-Reagan meeting scheme in Bali, and said President Soeharto could bring forward matters relating to the concern of the developing countries both within the international and bilateral scopes.

Deputy chairman of the Functional group faction Agus Sudono in an interview with ANTARA stated bilaterally the most crucial issues concern economic and trade sectors.

This is because of the U.S. government's protection policy, particularly the Jenkins bill concerning textile and leather goods and other Indonesian export commodities.

President Soeharto could obtain inputs from President Reagan on the Reagan-Gorbachev meeting a while ago and the follow-up and prospects of the meeting within the effort to create world peace and international cooperation.

Reagan is expected to arrive in Bali late April and is planned to meet with President Soeharto and ASEAN foreign ministers before flying to Tokyo to attend the conference of seven advanced industrial countries there from May 4 to 5.

Global

Soeharto and Reagan, Agus went on to say, could discuss matters pertaining to the global socio-economic and political development.

Indonesia certainly wishes to find out U.S. stand on ASEAN and its steps to improve cooperation with ASEAN countries.

No less important is the chance for Soeharto to ask Reagan on U.S. views on PBC (Pacific Basin Community) since Indonesian cannot be left out from the idea, Sudono said.

Besides matters on protectionism, President Soeharto and U.S. President Ronald Reagan could also talk on matters related to foreign investment, transfer of technology, tariff wall, export quota and job opportunity.

For example, it could be asked what the U.S. can do to improve cooperation with Indonesia, and in this context it is hoped that the U.S. give more attention to small scale and medium scale industries.

Besides to obtain profits, U.S. investment is expected to help support the growth of entrepreneurship in Indonesia, that it be more self-supporting and skillful and able to create more job opportunities.

Taking the above possibilities into consideration, Agus Sudono who is also secretary general of ASEAN Labour Federation considered Indonesia-U.S. summit in Bali important as an input for the Tokyo summit.

This is especially so since President Soeharto at present is regarded as an important figure of the third world after his speech at FAO (Food and Agriculture Organization) conference in Rome last year.

On a separate occasion, deputy chairman of the United Development faction H. Adnan Kohar stated President Soeharto could remind Reagan that the glory achieved by industrial countries was dependent on other countries.

The world has become such that each country is dependent on the other. The products of industrial countries will not sell unless they help improve the developing countries.

President Soeharto, according to Kohar, could also express Indonesia's gratitude for Reagan's vote on Jenkins bill, at the same time hoping that should U.S. parliament issue other similar bills Reagan will not mind vetoing them.

Kohar was of the opinion that Indonesia-U.S. relations is improving, particularly since Indonesia plays an important role in the returning of U.S. soldiers missing in Vietnam.

This is because Indonesia believes that a good U.S.-Vietnam relations is an important factor to create stability and peace in the Southeast Asian region and in the world.

Under the bilateral scheme it is hoped that the U.S. is aware of the problems faced by Indonesia as a developing country.

It is therefore expected that the U.S. views its relations with Indonesia not only from the economic point of view but from political view as well.

And that will ensure a smooth relation of the two countries, Adnan Kohar concluded.

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CSO: 4200/693

INDONESIA

SOVIET OFFICIAL DISCUSSES PROBLEMS IN TRADE

Jakarta ANTARA NEWS BULLETIN in English 22 Jan 86 p A11

[Text] Jakarta, 22 Jan (ANTARA)--Exchange of visits between Indonesian and Soviet high ranking officials have been encouraging the growth of economic and trade cooperation between the two nations, but the efforts still face some difficulties.

Head of the Soviet trade representative office here Stanislav Polyakov said in a press conference here Wednesday that Moscow highly appreciates various Indonesian policies in the light of facilitating trade relations between the two countries.

Polyakov cited as an example that the Indonesian Embassy in Moscow has been issuing visas for Soviet experts willing to go to Indonesia. In addition, he went on ships from several Eastern European countries can now make calls at several Indonesian ports.

But, according to him, the stepping up of trade volumes of the two nations have not been able to be realised due to the non-availability of bank guarantees from various Indonesian banking corporations for Indonesian exporters. Besides, he added, the Soviet side is still questioning whether Indonesia would be able to supply a certain commodity, such as pellet up to a total of 100,000 to 200,000 metric tons.

He also disclosed that the trade balance between Indonesia and the Soviet Union has so far been in favour of Indonesia. In 1985, the Soviet export to Indonesia value at about US dollars five millions, while its import worth US dollars 110 millions.

Indonesia imported textile machineries and power generating sets from the Soviet Union, while Moscow imported various traditional commodities, such as coffee and rubber from Indonesia.

Polyakov confirmed that one of [the] obstacles hampering the stepping up of trade and economic cooperation between the two countries is the lack of knowledge about their respective countries. In this connection, he went on, his side will hold an exhibition in Jakarta next May with a focus on exchange of information.

"We are ready to host such an activity organized by Indonesian businessmen in Moscow," he concluded.

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## INDONESIA

## SUDHARMONO ON DIRECT TRADE WITH PRC

Jakarta SINAR HARAPAN in Indonesian 18 Dec 85 pp 1, 12

[Text] Minister of State and State Secretary Sudharmono, SH [Master of Laws], affirmed that opening up direct trade relations with China are no indication that Indonesia intends to thaw out diplomatic relations with the PRC.

Sudharmono made this statement this morning, in response to questions at a working meeting of the DPR's [Parliament] Commission II.

Before that the minister said that the nonrestoration of diplomatic relations, frozen since 1967, has obliged the government to determine the policies necessary for opening up direct trade relations.

At that meeting, chaired by Naya Iskandar Sumantri, the minister revealed that the government has issued presidential instruction No 9 of 1985. In this instruction it emphasized that those trade relations are based on the government's general trade and commercial policies.

The minister said, "The presidential instruction also states that those trade relations will be handled for the time being by the junior minister/cabinet secretary."

The members of the Commission asked about possible political implications and about steps being taken by the government to increase the level of awareness of members of KADIN [Indonesian Chamber of Commerce and Industry] and of those involved in opening up those trade relations.

The minister said that initiatives to open up direct trade relations came from the private sector and were coordinated by KADIN. In these initiatives can be seen possibilities for profit in connection with efforts to encourage nonoil exports. "We all know that China has a large potential for marketing products, considering the size of the population."

The minister admitted the possibility of using those trade relations for political goals, considering that often political goals are slipped into economic and trade activities.

"The government must continue to be concerned about the possibility of misusing trade relations for political and subversive ends," said the minister, adding that Indonesian businessmen should not sacrifice national interests.

INDONESIA

MINISTER SAYS NO SURVEYOR PROBLEM IN TRADE WITH PRC

Jakarta ANTARA NEWS BULLETIN in English 21 Jan 86 p A4

Jakarta, Jan. 21 (ANTARA).-- Trade Minister Rachmat Saleh Monday stated that the implementation of direct trade with the People's Republic of China will face no problems including that about surveyor reports.

In an interview with ANTARA Minister Rachmat Saleh said that the import goods from the country will be examined by PRC's Surveyor CCIC as the Societe Generale de Surveillance (SGS)'s representative while the goods shipped through Hongkong will be examined by the SGS representative in Hongkong.

The fact is, Minister Rachmat Saleh added, that only little commodities are shipped directly to Indonesia from PRC. More are usually shipped to Hongkong and then moved to another ship going to Indonesia.

The director general for domestic trade, Kardjono Wiriprawiro, said on the occasion that through the Presidential Instruction (Inpres) no.4/1985 the government had designated Sucofinco for the examination of export and import goods. With the directives from the government Sucofindo cooperates with the SGS for the examination of the goods abroad.

According to the contract the SGS includes its representatives in various countries. This means that the SGS is allowed to cooperate with local surveyor companies, Kardjono added.

With regard to PRC, Kardjono said, the SGS had since 1979 cooperated with CCIC for the examination of export and import goods in the country.

In view of this, the Indonesian government sees no problems on goods from PRC. The Indonesian government only acknowledges the SGS in the matter. PRC's surveyor company CCIC issues surveyor reports under the name of SGS, the surveyor company recognized by Indonesia, Kardjono stressed.

He denied news that direct imports from PRC had gone unsmoothly. He said many transactions had been carried out such as those of cotton, garlic and consumer goods.

The most important thing is that the suppliers must inform the CCIC or the Jakarta chapter of SGS when conducting transaction. Besides that the Bank receiving the L/C may also inform the SGS representative in PRC.

Kardjono emphasized that everything will go well if the procedures are followed.

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CSO: 4200/692

INDONESIA

DEVELOPMENT OF TRADE WITH PRC NOT YET AS EXPECTED

Jakarta ANTARA NEWS BULLETIN in English 22 Jan 86 p A6

[Text] Jakarta, 22 Jan (ANTARA)--Development in direct trade relations between Indonesia and the People's Republic of China (PRC) has not yet met expectations, despite the exchange of visits of trade delegations from both countries, KADIN Indonesia (Indonesian Chamber of Commerce and Industry) General Chairman Sukamdani Sahid Gitosardjono said in his address at a dinner party here Tuesday evening for the PRC trade delegation, led by Representative of the China Council for the Promotion of International Trade (CCPIT) Gou Dong-po.

Sukamdani further expressed the hope that the current visit of the PRC trade delegation would speed up direct trade relations between the two countries for mutual benefit and efforts should be carried out to overcome existing obstacles.

Since the opening of direct trade between the two countries, goods shipped from and to Indonesia have been using PRC shipping companies. The KADIN Indonesia general chairman expressed the hope that Indonesian shipping firms should also have a fair share of the transport of these goods.

Speaking to newsmen Sukamdani said that Indonesian exports to the PRC had up to now recorded a value of about US\$40 million.

Indonesian export commodities to the PRC covered plywood, rubber, sawn timber, coffee, material for textile and basic material for traditional medicine.

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CSO: 4200/693

INDONESIA

PRC WANTS TO BUY PLYWOOD, SAWED TIMBER

Jakarta ANTARA NEWS BULLETIN in English 24 Jan 86 pp A5, A6

[Text] Jakarta, 23 Jan (ANTARA)--PRC wants to buy plywood and sawn timber from Indonesia, Ir. Sudjono Suryo, Secretary General of the Forestry Department said Thursday after attending a meeting between Minister of Forestry Soedjarwo and China trade mission.

The China trade delegation is led by deputy chairman of the Chinese International Trade Promotion Council (CCPIT) Guo Dangpo.

The visit of the PRC trade delegation is to conduct a series of talks with the Indonesian high government officials on matters relating to the inspection system of goods imported from Indonesia and to discuss possibilities of enhancing trade links between the two countries.

China does not allow foreign surveyors to operate in its seaports, where it is a problem for Indonesia which uses a Swiss surveyor, Societe Generale de Surveillance (SGS) as the only authorized company to check the quality of goods from Indonesia abroad.

Forestry Minister Soedjarwo said that bilateral trade Indonesia-PRC is nothing new, and "we have ties with China since 1400 when the two countries were kingdoms."

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CSO: 4200/693

INDONESIA

KADIN OFFICIAL OPTIMISTIC ON TRADE WITH PRC

Jakarta PELITA in Indonesian 28 Dec 85 pp 1, 10

[Text] Jakarta, PELITA--Trade between Indonesia and the People's Republic of China in 1986 will not decline any further, although there are still some obstacles in the way of expanded exchanges between the two countries. On the contrary, trade will continue to increase under the existing agreement and following the exchange of visits of trade delegations not long ago.

This was stated by Tong Djoe, a special member of the Indonesian Chamber of Commerce and Industry [KADIN] and an Indonesian businessman living in Singapore, on 26 December in Jakarta. He played a direct role in the reopening of trade between the two countries as a go-between in contact with KADIN and the PRC.

He is in Jakarta for meetings with Indonesian businessmen. He has stated that trade in 1986 will increase steadily, particularly due to Indonesian participation in the agricultural fair held in Beijing in November 1985. This increased the interest of PRC businessmen in Indonesian success in the agricultural sector.

The PRC has seen and is aware of what has been achieved by Indonesia and what the country has to offer. At the same time Indonesians are also aware of what the PRC has to sell to them, he said.

The businessmen of the two countries have mutually agreed that what has been produced by Indonesia will not be exported to that country by the PRC. Similarly, what the PRC already produces will not be offered by Indonesia to the PRC.

He admitted that in the trade negotiations in Beijing on which agreement has been reached, providing for total trade of \$350 million, only a very small proportion of the total will be in the form of goods exported by Indonesia to the PRC. Tong Djoe said that this will not be an obstacle to trade, because it was known that, after trade relations had long been broken, the two sides would watch the trade situation carefully.



However, this does not mean that, "we will lose more ground." Once we decided to reestablish trade relations, they will be maintained according to Tong Djoe, who said this sincerely.

This is because he is convinced that the PRC needs many products from Indonesia, such as cement, fertilizer, wood, rubber, coffee, etc. Similarly, Indonesia can buy goods or machinery which we need.

We are not asking them (the PRC) for a favor. We are going to do business. We will offer and sell goods which they don't have, Tong Djoe declared. Therefore, we don't need to be afraid or to have any doubts about being repaid.

During his experience, the PRC has been able to provide what we need, bearing in mind that the PRC is a country with considerable market potential, according to Tong Djoe.

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CSO: 4213/78

INDONESIA

PRC DELEGATION, KADIN AGREE ON VARIOUS ISSUES

Jakarta BUSINESS NEWS in English 31 Jan 86 pp 4, 5

[Text]

Vice Chairman of CCPIT (Chinese Council for the Promotion of International Trade) Guo Dongpo has stated that China is currently busy with its open door policy. He made the remark here recently in response to a question forwarded by Business News about the interest of CCPIT in making investment in Indonesia.

With the implementation of the open-door policy, a lot of formulations can be implemented, whether to give opportunities to foreign investors to make investments in China or to encourage capital investments abroad by Chinese companies, Guo Dongpo said further.

The CCPIT vice chairman was in Indonesia from January 21 to 28 to head a CCPIT delegation. While in Indonesia, the CCPIT delegation visited Jakarta, Bandung and Bali.

In the Minutes of Discussion signed on January 28, 1986, CCPIT and Kadin (Indonesian Chamber of Commerce & Industry) agreed on the need to entrust the China National Import and Export Commodities Inspection Corporation (CCIC) with commodity inspection at the departure harbours in China in accordance with the agreement signed by the Jakarta Liaison Office of SGS and CCIC here on Monday.

Both sides also agreed to help settle cargo claims such as the time of claims and claims on quality, lack of weight, delay of shipment and the failure to ship goods.

CCPIT and Kadin share the same view

of the need to boost the development of direct trade between the two countries & to carry out trade in accordance with the Letter of Intent which has been signed.

The Minutes of Discussion also mentions the plan of Kadin to open a representative office in Beijing and CCPIT's intention of opening a representative office in Jakarta. Both sides agreed to exchange information and organize trade exhibitions. They also agreed to help crew members of ships of the two countries in case of accidents or if the sailors fall ill.

To step up direct trade between the two countries, both sides agreed that they would stick to the Memorandum of Understanding signed on July 5, 1985, and on the law, regulations and policies effective in the respective countries.

The Chinese delegation, which was headed by Guo Dongpo, consisted of Zhu Zhenyuan - deputy general of the State Administration of Import and Export Commodity Inspection, vice chairman of the delegation; and five members comprising: Wang Shoumao - director of the Legal Affairs Department of CCPIT, Meng Qingfa - vice president of CCIC, Wang Genliang - deputy director of the Liaison Department of CCPIT, Bao Jenxing - manager of the Business Department of CCIC Guangdong Branch, and Mrs. Yang Shushen - of the Business Department of CCIC.

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INDONESIA

JAPAN TO ASSIST IN COAL MINING DEVELOPMENT

Jakarta ANTARA NEWS BULLETIN in English 22 Jan 86 p A5

[Text] Tokyo, 21 Jan (ANTARA)--Japan has expressed willingness to cooperate in exploration and exploitation efforts to step up Indonesian coal production, ANTARA sources in Tokyo said Monday.

This cooperation was discussed at the second meeting of the Japan-Indonesia Energy Joint Committee in Tokyo last week, which was attended by Indonesian Mining and Energy Minister Subroto and a number of Indonesian energy officials.

At the meeting cooperation efforts were discussed between the two countries in the fields of traditional as well as modern energy, including oil and natural gas, nuclear, solar and geo-thermal energy.

In particular on the development of coal mining, the Japanese side expressed willingness to assist Indonesia in efforts to step up the production of this kind of energy, which for the greater part was earmarked to meet Indonesia's domestic demand.

The main domestic users of coal are the thermal powerplants, using about 70 to 80 percent of the domestic demand, followed by factories between 15 to 20 percent and other users about five to ten percent.

Continuous Increase

Indonesian coal production in the last ten years increased rapidly, from 206,000 tons in 1975 to an estimated 1.72 million tons in 1985. But to meet its requirements, Indonesia has still to import. One of the problems faced by Indonesia is transport facilities from the production site to the consumption centers.

One of the sectors in the cooperation with Japan is to assist in overcoming transport problems.

In 1986 Indonesia plans to raise its coal production to 3.27 million tons and in 1993 to 22.76 tons. With such a plan in mind, Indonesia is expected to become a future exporter of this kind of energy.

Japan itself in its energy policy places coal in third place after oil/natural gas and nuclear energy.

Coal requirements for Indonesian powerplants will increase in the years to come, in accordance with the government's policy to set up powerplants using coal as fuel.

Cement factories requirements for coal are also increasing in the last five years almost twofold with an average increase of 15 percent per annum.

#### Potential

Indonesia has potential coal reserves with deposits of about 23 billion tons. About 18 billion tons is lignite, for the greater part to be found on Sumatera and East Kalimantan.

According to a UK report, Indonesia has the fourth biggest coal deposit in the world with demonstrated and referred resources of about 3.5 billion tons and proven resources of 1.5 billion tons.

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CSO: 4200/693

INDONESIA

JAPAN TO REDUCE IMPORT DUTIES ON PLYWOOD

Jakarta BUSINESS NEWS in English 22 Jan 86 p 5

[Text]

The Japanese Government has decided to lower the rate of import duty on softwood plywood and hardwood plywood from April 1987 and to eliminate tariff differential in import duty on those products from April 1, 1988, with a hope of strengthening relations between Japan and Indonesia.

This was disclosed by the Japanese Embassy here recently when announcing the decision taken by the Japanese Government concerning the reduction of import duty on softwood plywood and hardwood plywood in accordance with the Japan's Action Program on July 30, 1985.

The reduction of the rate of import duty is one of six steps to be taken by the Japanese Government to open Japanese markets for foreign products. In this connection, the Action Program also mentioned that the Japanese Government would hold new rounds of negotiations on the General Agreement on Tariff & Trade (GATT).

In the new rounds of negotiations, Japan and other advanced countries are prepared to lower up to nil percent the rate of import duty on industrial products. The rate of import duty on about 80 percent or 1,853 out of 2,302 items subjected to import duty will be reduced by 20% or even lowered to 0%.

For imports of goods from the developing countries, Japan will propose the improvement of the Generalized System of Preferences to lower the rate of import duty or to exempt products from the deve

loping countries from import duty. Japan will be the first country implementing the improved GSP.

The new rate of import duty on plywood to be forwarded to Japan's parliament (DIET) is determined based on the thickness of plywood. Based on the new tariff system, there will be no tariff differential between softwood plywood and hardwood plywood after April 1988.

From April 1987, softwood plywood will be divided into two categories of thickness. Softwood plywood of less than 6 mm in thickness will be liable to import duty of 15%; while the rate of import duty on no less than 6 mm thick softwood plywood, which has been fixed at 15 percent since January 1986, will be lowered to 12.5 percent from April 1987 and 10 percent from April 1988.

The tariff for less than 6 mm thick hardwood plywood, which has been fixed at 20% since January 1986, will be reduced to 17.5% from April 1987 and 15% from April 1988; while tariff for no less than 6 mm thick hardwood plywood, which has determined at 17% since January 1986, will be lowered to 13.5% from April 1987 and 10% from April 1988.

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CSO: 4200/692

INDONESIA

JAPAN'S IMPORT OF INDONESIAN CRUDE IN 1985 DROPS

Jakarta ANTARA NEWS BULLETIN in English 29 Jan 86 p A4

[Text] Tokyo, 29 Jan (ANTARA)--The volume of Japan's crude oil import from Indonesia in 1985 declined to 22.59 million kilolitres or 19.7 percent compared with 1984 and its share in the Japanese import market with 1.71 percent to 11.39 percent.

Japan's crude import from Indonesia in 1984 stood at 28.13 million kilolitres or 13.1 percent of Japan's overall crude oil import.

Japan's crude import from Indonesia in 1985 was Indonesia's lowest ever share in the Japanese market since the last two decades.

The overall Japanese import of crude oil in 1985 was 198.33 million kilolitres, showing a decline of 7.6 percent compared with the previous year. As such the percentage in the decline of Indonesian crude import was almost twice the average decline percentage of Japan's overall crude import.

ANTARA sources in Tokyo said that this was due to the less flexible Indonesian oil price policy amidst the current oil glut in the international market.

After the recent decision of the OPEC in Geneva on "OPEC's just share" in the world market, Indonesia had stated to follow a more realistic price policy. These sources expressed the hope that it would probably improve Indonesian crude share in the Japanese market in future.

Import from the Middle East declined with 7.3 percent to 139.6 million kilolitres and remained the main crude oil source for Japan, recording 70.4 percent of its total import.

The biggest decline was suffered by Saudi Arabian crude with 40.9 percent to 34.45 million kilolitres.

Japan's import from the United Arab Emirates increased by 29 percent to 42.21 kilolitres and from Malaysia with 3.3 percent to 6.58 million kilolitres.

The share of the non-OPEC countries increased with 4.4 percent to 26.7 percent.

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CSO: 4200/695



INDONESIA

AUSTRALIAN ASSISTANCE FOR POLYTECHNICAL DEVELOPMENT

Jakarta ANTARA NEWS BULLETIN in English 21 Jan 86 pp A4, A5

[Text] Jakarta, 20 Jan (ANTARA)--The Australian government is making available 11.7 million Australian dollars, the equivalent of Rp.8.9 billion, for the development of polytechnical training in Indonesia.

The document on the grant was signed here Monday by Australian Minister of Education Senator Susan Ryan, on behalf of his government, and Minister of Education and Culture Prof Fuad Hasan, for the Indonesian government.

The signing ceremony was also attended by Australia's Ambassador to Indonesia Bill Morrison and a number of key officials of the Department of Education and Culture.

Minister Fuad Hasan said on the occasion that the vocational training received high priority in Indonesia. The Australian government grant would be of great significance to Indonesia, he added.

Senator Susan Ryan, meanwhile said the aid would be of great benefit to Indonesia in preparing skilled personnel to meet the needs of this country.

The grant will take the form of long and short-term assignment advisors in the planning of projects, training of teachers, development of curricula, development of material resources and polytechnical management, especially for commercial polytechnics located in Bandung, West Java.

The Australian minister arrived here Sunday for a four-day visit to Indonesia. On Wednesday he is scheduled to visit the Borobudur temple by way of Yogyakarta.

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CSO: 4200/692

INDONESIA

## IRANIAN AMBASSADOR ON RELATIONS, COOPERATION

Jakarta ANTARA NEWS BULLETIN in English 30 Jan 86 p A7

[Text] Jakarta, 29 Jan (ANTARA)--Iran maintains good relations with Indonesia, even it still can be further stepped up in the future, Iranian Ambassador to Indonesia Abdolazim Hasyemi Nik said Wednesday in an interview with ANTARA in view of the completion of his term of office here.

The Iranian ambassador said that he found no obstacles in the stepping up of bilateral relations.

He praised President Soeharto, ministers and other Indonesian officials who also have similar wish to further strengthen relations of the two countries.

Hasyemi Nik said Indonesia and Iran shared much similar views, adding that Iran an Islamic republic country whereas the majority of the Indonesian people are Moslems.

In the strengthening of the two countries' relations, he cited cooperation efforts in the fields of economy and trade besides exchanges of experiences in engineering and researches.

Hasyemi who has passed four and half years of service in Indonesia said he has studied various aspects of life of the Indonesian people including historical research, cultures and their social life.

### Economic Cooperation

Referring to the economic cooperation, the Iranian ambassador pointed out that a memorandum of understanding was signed by the two countries when Indonesian Trade Minister Rachmat Saleh paid a visit to Iran late last year.

About 30 kinds of commodities were discussed during the meeting. Iran, said Hasyemi, expected to import timber, rubber, tea and coffee from Indonesia and to export sulphur, carpet and single and double decker-Mercy buses to Indonesia.

Iran can use its own ships for carrying goods from Indonesia.

In the field of technology cooperation, the ambassador said his country has an expertise in oil mining like refineries and other fields.

He said Iran now no longer employs foreign experts for its ability to manage its own industry. As to technological cooperation, Iran is giving priority to the third worlds.

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CSO: 4200/695

INDONESIA

IMPORT DUTIES ON ASEAN IMPORTS CUT

Jakarta ANTARA NEWS BULLETIN in English 26 Jan 86 p A6

[Text] Jakarta, 25 Jan (ANTARA)--Indonesia gives tariff cuts of 20 to 50 percent on the import of products from ASEAN member countries in a bid to promote and expand trade among the member nations.

Finance Minister Radius Prawiro in his decision announced here Saturday said the decision of the kinds of ASEAN imports constituted a perfection of the classification of goods within the framework of the ASEAN preference trade arrangement.

The Finance Minister's decision No 13 of 1985, taking effect as from 10 January, 1985, a tariff cut of 20 to 25 percent was given on ASEAN products, including chemicals, conserved vegetables and fruits, building material and certain mineral products.

Tariff cuts of 30 percent were granted on pharmaceutical substances, quarts and other natural sands, and some other chemical substances.

A 40 percent cut was given on different types of asbestos, dyes, synthetic fibre for making fish nets, and several types of explosives.

Data at the Central Bureau of Statistics showed that in the first quarter of 1985, Indonesia's imports from Thailand reached 73,000 kg estimated at U.S.\$22.9 million, from the Philippines 2.3 million kg worth U.S.\$318.4 million and from Brunei 2 million kg worth U.S. 250.

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CSO: 4200/693

INDONESIA

OFFICIAL CAUTIONS ON UNSURVEYED IMPORTS FROM COMMUNIST COUNTRIES

Jakarta ANTARA NEWS BULLETIN in English 26 Jan 86 pp A4, A5

[Text] Jakarta, 26 Jan (ANTARA)--Indonesia should be careful with goods coming from communist countries if they only pass examination by their own surveyors before being shipped to Indonesia.

G. Sugiharso, a member of the Inpres (Presidential Instruction) No IV team of the Functional group faction, said Saturday Indonesia must be on the alert against all kinds of propaganda and the coming of goods from communist countries.

He was giving a comment on the problem concerning surveyor in Indonesia-PRC trade relations.

From the meeting between PRC's trade delegation with Indonesia trade minister it was found out that there exists a problem concerning the examination of PRC goods for direct shipment to Indonesia.

According to Inpres No IV/1985 Indonesia determined to have its imported goods checked at the country of origin by SGS, a Swiss surveyor appointed to do the job by the government.

PRC seems to hold fast to the policy that will not allow foreign surveyors to operation in its regions, either as representatives of a private party or a country.

Meanwhile, Trade Minister Radius Prawiro stated that according to the rule all goods must be examined by SGS, but in case of PRC they will be checked by CCIC as representative of SGS.

The director general for domestic trade said that in its SGS includes its representatives in various countries.

This means that SGS is allowed to set up its branch office in a country or cooperate with the local surveyor since there are several countries who do not allow the operation of a foreign surveyor in their regions.

In PRC's case SGS has appointed CCIC, the only surveyor in that country, to carry out checkings on imported/exported goods.

PRC's goods directly shipped to Indonesia will therefore be examined by a PRC's surveyor without the possibility of a recheck.

This, according to Sugiharso, is worrying, especially since it is the common practice in conducting trade activities with the Eastern bloc countries.

With regard to this it is suggested that SGS or Sucofindo personnel be included in the physical examination at the port of origin, though this idea might not be accepted by PRC.

Goods from PRC or other countries examined by surveyors from the countries of origin should be given a chance for a recheck at the Indonesian ports by the Indonesian authorities.

Goods from PRC and other communist countries undergoing local checking will be made an exception of the Inpres No IV.

Those are the options to be taken to protect Indonesia's interest, according to Sugiharso.

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CSO: 4200/693

INDONESIA

KADIN CHIEF SPEAKS ON FOREIGN INVESTMENTS

Jakarta ANTARA NEWS BULLETIN in English 29 Jan 86 p A5

[Text] Denpasar, 28 Jan (ANTARA)--Kadin (Indonesian chamber of commerce and industry) chairman Sukamdani Sahid Gitosardjono has said that BKPM (coordinating board for investment) should have a full time chairman since under the present economic situation it needs a leader who could give full attention to it.

It is impossible for the government to provide bigger funds, and with regard to this there is a need for a serious effort to attract funds to accelerate the development process, according to Sukamdani at Sanur beach, Bali Tuesday.

It is reminded that a BKPM chairman holds a very heavy task especially since the decrease in oil price besides the demand that businessmen increase exports to add to the country's earning of foreign exchange.

The private sector is expected to improve its role in the development through the provision of more job opportunities, increase exports and enlarge marketing abroad.

The target for investment for Pelita IV (fourth Five Year Plan) was set at Rp.145 trillion, but until the second year Indonesia has been able to collect only half of the total amount, Sukamdani stated.

He said the low number of foreign companies investing in Indonesia was due to the fact that other countries give better facilities, such as has been done by the Philippines, Korea, Thailand, India, Taiwan and PRC (People's Republic of China).

Japan, which was expected to invest here, turned to developed countries such as the United States. This should urge us to be more flexible in attracting investment, he went on to explain.

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CSO: 4200/695

INDONESIA

GOVERNOR ON DELAYED PROJECTS IN EAST TIMOR

Jakarta SINAR HARAPAN in Indonesian 18 Dec 85 pp 1, 12

[Text] Stoppages and delays in construction projects in East Timor are being caused by bargaining about the fees requested by project leaders. This bargaining centers around what percent of the value of a project the contractor is to give to the project leader.

Governor Eng Mario Viegas Carrascalao made this statement last Friday [13 December] to hundreds of contractors, project leaders and treasurers and some officials of the local government at the KONI [Indonesian National Sports Committee] building in Dili [East Timor].

The governor said that the central government places development in East Timor 27th in line since year in and year out the unspent development budget has kept on increasing. "I am embarrassed that though East Timor has a small area and little population, a large amount of unspent funds in almost all INPRES [Presidential Instruction] and sectoral projects can arise," he said.

No Excuse

He affirmed that project stoppages and delays should not be excused by the factors of security and of difficult transport in this province. If those factors are true, he argued, why are projects in the city of Dili also stopped or delayed?

Besides the fact that the results of many development projects can often be seen to be of poor quality, the governor mentioned the practice of contractors who belong to the DRM (Able Contractor List) acting as subcontractors to other companies. "This doesn't make sense, in my opinion," Why should the profits that it ought to get be given to another party? Such contractors are nothing more than middlemen, who do nothing but still get the project.

But the governor then added that this is done because of coercion on the part of some people. "I don't want to say it here, but I could give a concrete example," he stated.



## They Shouldn't Happen Again

Such things, said the governor, should not happen again because they are in conflict with presidential decision No 29. However, because these things have gone too far already, the project leader and local government agencies and not just the managing party and his subcontractors should be responsible for deciding whether the project is useful or not.

The governor also mentioned the case of a stalled development project in Dili. "There are many other examples; I don't have to mention them here one by one" he said glancing over at I Made Gede, the provincial Inspector (ITWILDA) and at the IROPSTIB [Inspector of Operations and Order] sitting next to him.

In another section of his talk the governor warned contractors not to abandon projects when they are unable to complete them. The important thing is to report the reasons for not being able to finish the project so that the provincial government can take steps to complete it.

"Don't leave a project unfinished and not give the provincial government the opportunity to complete it some other way," he said, looking at Otto Daryono, chairman of BAPPEDA [Provincial Planning Board], who was sitting to his right.

## Money in Advance

If a contractor receives money in advance for carrying out a project but is unable to continue after completing 30 to 40 percent of it, he should ask to withdraw. It does not matter if there is a financial loss; the spirit to build should be demonstrated. The government will pay attention and in such cases should ask the project leader to play a role in conveying this to the governor. However, this has never been done.

"The government doesn't want to cause contractors any financial loss and especially doesn't want to ask those contractors for any money, but projects should be completed in a straightforward and honest way without damaging the contractor's interests" he added.

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CSO:4213/75

INDONESIA

CONCESSIONS FOR FOREIGN MANAGERS GRANTED

Jakarta KOMPAS in Indonesian 19 Dec 85 p 12

[Text] As part of the government's efforts to provide the best possible services to foreign businesses in Indonesia, the Minister of Justice has granted various concessions to the regional managers of the Indonesian branch offices of foreign companies.

These concessions were granted by Ismail Saleh, SH [Master of Laws], in a letter to Eng Drs Ginandjar Kartasasmita, chairman of the Foreign Investment Coordinating Board [BKPM]. This letter, dated 14 December 1985, was in response to a letter from the chairman of the BKPM.

Temporary visas can be given to the regional managers of the branch offices of foreign companies in Indonesia if they get the necessary recommendations from the technical department involved--the Department of Trade--and a work permit from the Department of Manpower or a recommendation from the BKPM.

Then, when the managers are in Indonesia, they will be given a temporary entry permit (KM/S). Those who will be going out of the country and then reentering can be given a multiple exit and reentry permit valid for several trips over 6 months.

Exit Tax

Ismail Saleh's response thus fulfills one of the BKPM's requests. The other two requests, which have not yet been fulfilled, concern the 150,000-rupiah exit tax which must be paid on leaving the country and the difficulties that regional managers have in obtaining a work permit.

The BKPM said in its letter to the Minister of Justice that many foreign companies (American, European and Japanese) with operations near Indonesia (ASEAN countries, Papua New Guinea, Australia and New Zealand) have their regional offices in Singapore, Hongkong or Manila.

Recent economic and political developments in Singapore, Hongkong and in the Philippines have been considered less propitious for the future of those regional offices, and it is believed that many of those foreign companies would like to move their regional offices to Jakarta.

Companies moving to Jakarta, it is believed, would find satisfactory office, communication, banking, and other facilities as well as gradually improving political and economic conditions.

Ginandjar said that setting up regional offices in Jakarta has several advantages for Indonesia. New offices will create jobs, increase tax revenues, fill up empty office space and strengthen world confidence in Indonesia. They will also speed up efforts at promoting trade, tourism and investments.

However, several factors which discourage foreign companies from moving are the difficulty of obtaining work permits for regional managers, the 150,000-rupiah exit tax and problems in obtaining temporary visas.

Based on all of the above, the chairman of the BKPM made a request to the Minister of Justice; part of the request has been granted.

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CSO:4213/75

## INDONESIA

## RP 247 BILLION RUPIAH CREDIT FOR SMALLHOLDER CANE PLANTATIONS

Jakarta KOMPAS in Indonesian 26 Dec 85 p 12

[Text] Jakarta, KOMPAS--The government has provided about 247 billion rupiahs in credits for the Smallholder Sugar Cane Intensification Program (TRI) for the 1986-1987 planting season. A production target of more than 1.7 million tons of crystallized sugar has been set, out of a production of nearly 19 million tons of sugar cane, planted on about 228,000 hectares.

Letter of Decision No 24/SK/Minister of Agriculture/BIMAS/XII/1985 also provides that the bulk of the TRI target will be produced in Java, from about 147,760 hectares of irrigated fields and 78,800 hectares of dry fields. The remainder will be produced in the provinces of Lampung and North Sumatra, where 2,250 hectares of dry fields will be planted to sugar cane.

A credit package for the TRI program has been prepared for the first crop planted in irrigated fields. It is worth 1,226,000 rupiahs per hectare and is specifically for the Madiun, Magetan, Ngawi, and Ponorogo areas. A credit package has been prepared for the Nganjuk area, worth 1,505,000 rupiahs per hectare, while a credit package has been prepared for West Java, worth 1,252,000 rupiahs per hectare. The last two areas require more intensive preparation of the land, and the credit packages are correspondingly larger.

The credit package for the TRI program covering the planting of a second crop is worth 822,500 rupiahs per hectare. In dry fields the credit package for the first planting is 835,000 rupiahs per hectare. The credit package for West Java is worth 875,000 rupiahs per hectare, while the TRI credit package for second and third plantings in dry fields is worth 632,500 rupiahs per hectare. None of these credit packages includes funds for potassium chloride fertilizer and the anti-rat campaign, which are worth 75,000 rupiahs per hectare and will be provided in accordance with the recommendations of the BP3G [Agricultural Research and Development Board].

This credit package will be distributed in the form of cash to the farmers, to groups of farmers, or to Village Unit Cooperatives [KUD], to cover plowing and care for the plants, sugar cane cutting and transportation costs, and living costs, amounting to 160,000 rupiahs for the 12 month period during which sugar cane grows. A part or all of the credit package can be paid out, or the farmers can finance the planting of sugar cane without credit assistance. Production inputs like seeds and fertilizer will be provided in kind.

INDONESIA

ALLEGED IMPOVERISHMENT OF FARMERS VIEWED

Jakarta TEMPO in Indonesian 28 Dec 85 p 12

[Article by Susanto Pudhomartono: "A Question in Made Village"]

[Text] Is it true that the process of national development over the past 15 years has been a process of pauperization? President Soeharto raised this matter last week when he spoke with a group of ecologists and natural resources conservationists in the village of Made, Wonogiri Regency, Central Java. The meeting was the high point of the 25th National Greening Week.

Without mincing words the president said that the world now admits that Indonesian agricultural development has been successful. Indeed, in mid November 1985 President Soeharto was invited to attend the FAO meeting in Rome to discuss this program. The chief of state said: "However, it is clear that within Indonesia there are those who say that our development process over the past 15, indeed 18 years, is a process involving the pauperization of our people."

The president did not state whom he was referring to. He only mentioned "economic observers and experts." As proof that the pauperization process is taking place, the experts point to the fact that farmers owning small parcels of land in fact possess decreasing amounts of land with the passage of time. In this connection, the president said, the development program has indeed ensured that people who own small parcels of land are decreasing in number, because their living levels are being raised. "However, they believe that they are losing ground because their land is being sold to wealthier farmers."

The president denied this. According to the census of 1980, there were almost 11 million persons owning less than 0.5 hectares of land. In the census of 1983 this total declined to about 8.75 million persons. He added: "However, it is not true that this decline is due to the fact that the land is being sold to those who own large amounts of land." As evidence, the president pointed to the results of the census of 1980: those who owned more than 0.5 hectares of land only numbered 6.5 million. According to the census of 1983 the corresponding figure was 10 million. This increase, according to the

chief of state, proves that the theory that small parcels of land owned by small farmers are getting smaller, while large landowners own increasingly large amounts of land "is absolutely not true."

The census figures quoted by the president come from the Central Statistical Office (BPS). According to BPS data, there has been a meaningful decline in the number of households farming agricultural land in parcels of less than 0.5 hectares. According to the 1980 census, there were 11.03 million people in this category, while the figure from the 1983 census was 8.75 million people. Soetjipto Wirosardjono, deputy chairman of the BPS, said: "This fact in reality can give rise to a great deal of speculation."

As a statistician, Soetjipto regards this change as appropriate and sensible. He thinks that the president's statement in Wonogiri was correct. Furthermore, according to Soetjipto, when this data is compared with data from the 1973 census,, it is "very consistent."

The consistency can be seen, for example, in the trend of farms which are becoming larger on a per household basis. According to the 1973 agricultural census, the average amount of land farmed by households engaged in agriculture was 0.99 hectares. In the 1983 census this figure increased to 1.08 hectares per household. If the results of the 1973 and 1983 censuses are compared, only in seven out of 25 provinces has the average amount of land farmed per household gone down.

Soetjipto admits this. The 1983 census is more accurate because it is an agricultural census, while the 1980 census is a population census. Although a comparison of the two censuses has certain limitations, the comparison made by the president, Soetjipto said, "can be supported."

Professor Doctor Sajobyho holds a different view. This professor in village sociology at the Bogor Agricultural Institute considers that it is better to compare the 1983 agricultural census with the 1973 agricultural census.

In Java it turns out that the ownership of parcels of land less than 0.5 hectares went up by 12.7 percent between 1980 and 1983. Outside of Java (with the exception of Irian Jaya and East Timor) it went up by 2 percent. During the same period the ownership of parcels of land of more than 0.5 hectares went up 16.1 percent in Java and 16 percent outside of Java. Sajogyo said: "It turns out that the results of the amended version, that is, the population census after it is corrected by interpolation, show that the increase in the number of farmers owning parcels of land of less than 0.5 hectares has risen slower by comparison with wealthy farmers, who own land in parcels of more than 0.5 hectares."

In that way, Sajogyo said, a tendency developed for farmers owning small parcels of land to increase in numbers and farmers holding larger amounts of land also to increase in numbers. The farmers' living standard now, compared with 18 years ago, has generally reflected an improvement. He added: "Based

on the results of my observations, during the period 1970-76 there were signs of impoverishment, in the sense that the food available to the poorest group deteriorated. However, during the period 1976-81 the situation improved. That is, the poorest group began to decrease as a percentage, with an improved food situation. During the period 1981-84, Sajogyo said, "I don't yet have the data."

Professor Doctor Mubyarto, chief of the Center for Village Development Research and the Environment at the University of Gadjah Mada, also did not agree that the 1980 population census should be compared with the 1983 agricultural census. He said: "It would be better to compare the agricultural censuses of 1963, 1973, and 1983, in order to obtain proper data." He quoted data presented by Soemartoyo, a member of the central office of the HKTI [Association of Indonesian Farmers Leagues], presented at a seminar held at the beginning of December 1985. According to this data, the number of owners of parcels of land in Indonesia of less than 0.5 hectares increased 2.3 percent between 1963 and 1973 and by 4.5 percent between 1973 and 1983. He said: "This means that the number of farmers owning parcels of land of less than 0.5 hectares increased."

Mubyarto was not able to comment on a decrease or increase in the number of farmers owning parcels of land of more than 0.5 hectares. He said: "I forget the figures derived from that research." He denied that there are experts who say that development at present is a process of pauperization. He said: "Development now makes village residents, on the whole, more prosperous. I think that no one is becoming poorer. Everyone is increasingly prosperous. However, for the lowest economic group, the improvement is a relatively small one."

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CSO: 4213/78

INDONESIA

SUHARTO INAUGURATES PAPER MILLS, RICE VACUUM CONTAINER PLANT

Jakarta KOMPAS in Indonesian 29 Dec 85 p 1

[Excerpts] Surabaya, KOMPAS--By pressing a button and signing an inscription President Soeharto officiated at the simultaneous dedication of 14 paper factories in various areas of the country, in a ceremony held on 28 December at Leces, East Java. Thirteen of the factories are in Java and one of them is in Medan, North Sumatra. The ceremony for the dedication of the factories was held at the Basoeki Rachmat paper factory in Leces, the site of Unit IV, which produces newsprint.

According to the chief of state, with the completion of the 14 paper factories Indonesia is capable of producing almost 850,000 tons of paper annually. With domestic paper requirements estimated at about 700,000 tons annually, this means that Indonesia can export paper on a continuous basis. This process began in 1984.

According to President Soeharto, with the completion of the 14 factories an even more heartening development is the fact that Indonesia is now able to produce newsprint on its own. Indeed, the existing newsprint production exceeds total domestic needs.

The president said: "Newsprint has such an important role to play. The press, which is the principal source of news for the people as a whole and which has the function of improving the life of the people, cannot do much without a supply of newsprint. Without the production of newsprint in our country, it is difficult to imagine that we could have a really strong press."

The Question Is How Much

With the completion and the entry into production of the 14 paper factories, there are still some types of paper which we are not yet able to produce ourselves, including paper for cement bags, paper money, and paper which requires long fiber wood pulp as raw material. However, according to the chief of state, plans are being made for the construction of such paper plants, and it is hoped that they will be able to enter into production toward the end of the Fourth 5-Year Plan.



The 14 paper factories officially opened on 28 December include Unit IV of PT Kertas Leces (Limited), which produces newsprint; PT Aspex Paper in Bogor (newsprint); PT Ayuwangi in Malang; PT Kimisari Paper Indonesia in Medan (cigarette paper); PT Jaya Kertas in Kertosono; PT Pakerin in Mojokerto, an expansion of an existing plant; PT Surabaya Mekabox Ltd in Gresik; PT Papyrus Sakti in Bandung; PT Pelita Cengkareng Paper Co in Tangerang, an expansion of an existing plant; PT Pura Barutama in Kudus; PT Suparma in Surabaya (an expansion of an existing plant); PT Pindo Deli Pulp and Paper Mill in Karawang, an expansion of an existing plant; PT Surabaya Agung Industri Pulp dan Kertas in Gresik, an expansion of an existing plant; and PT Tjiwi Kimia in Sidoarjo, an expansion of an existing plant.

#### Vacuum Container Plant

President Soeharto flew in a helicopter from Leces to Sidoarjo to officiate at the opening of a vacuum container plant for the storage of rice held by the Bureau of Logistical Affairs [BULOG] and to Malang to inaugurate a student dormitory at Brawijaya University. The vacuum container plant was built by BULOG on 15 hectares of land, at a cost of 8 billion rupiahs. This factory, which is the first to be constructed in the world, has an initial packing capacity of 18 tons per hour. When it is fully in operation it will be able to handle 20 tons per hour, or 100,000 tons per year, at an estimated depreciation of 4 rupiahs per kilogram.

The president expressed the hope that through the operation of this factory rice reserves can be stored more effectively. Although Indonesia is now self sufficient in food, when there are food shortages in a given locality, for example, these can be resolved quickly and properly. Through the use of this system the quality of the rice can be ensured, and it can be held longer. The chief of state considered that the vacuum container system is a step forward in the post-harvest handling of rice. According to present estimates, out of the existing national food stocks of 3.5 million tons, about 1.3 million tons were produced in East Java.

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CSO: 4213/78

INDONESIA

OIL PALM PLANTATION PROJECT IN EAST KALIMANTAN

Jakarta ANTARA NEWS BULLETIN in English 23 Jan 86 pp A8, A9

[Text] Samarinda, 22 Jan (ANTARA)--The regional administration of Pasir regency with the approval of Governor Soewandi has provided 12,000 hectares of land for an oil-palm plantation project for the civil servants and the Armed Forces personnel in East Kalimantan.

The project which is located at Lolo District, 21 km from Tanah Gerogot, the capital town of Pasir regency, will be opened by the end of this year and is expected to be planted early next year.

Pasir regent told ANTARA here Wednesday that the preparation for the opening of the project had been made. Two thousand oil-palm seeds will be supplied from Medan for the first stage.

Sulaiman Ismail said that civil servants and the Armed Forces personnel from other regencies in East Kalimantan may also take part in the project for which they will get not more than two hectares of land.

About three thousand people may join in the project and the acreage will be further expanded in the next stages.

It is expected that the project will increase the income of the civil servants to about two million rupiahs per year and make the Pasir regency the biggest oil-palm exporter in East Kalimantan.

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CSO: 4200/693

INDONESIA

SUMITRO ON OIL PRICE PROJECTION

Jakarta SUARA KARYA in Indonesian 17 Dec 85 p 1

[Text] A realistic oil price projection at the present time is below \$25 a barrel, in the area of \$23 to \$24 a barrel. In view of present indications, especially the instability of world oil prices, which dropped \$3 a barrel in the last week alone, it would be wrong to stick to a price of \$28 a barrel.

In an exclusive interview with SUARA KARYA held in Jakarta yesterday, Prof Dr Sumitro Djojohadikusumo said that the 76th meeting of the OPEC nations, held in Geneva, admitted what had actually been happening over the past few years. What Prof Sumitro, a senior economic observer, was probably referring to was the instability in prices and the price war between members of OPEC and those who are not members.

"Why should we still stick to \$28 a barrel when in fact that isn't the price? But we don't have to make ourselves angry. Let's just look on it as a fact, because the world situation is difficult" said Prof Sumitro.

Growth

Even though the oil situation is not encouraging, Prof Sumitro believes that production must continue to be stepped up. The decline in the price of oil can be offset by increasing the volume of export.

Prof Sumitro estimates that the growth in the Indonesian economy in 1985 might amount to a little less than 3 percent and it might be a bit better in 1986--3 percent or higher. The situation 3 years from now will be more or less the same.

"Let us be aware that the situation is difficult and not do anything unusual or rejoice. If we are complacent in these difficult times, we can have seven goals scored against us, as happened to the Indonesian soccer team in Bangkok," said Sumitro, without going into further details.

At the present time, even though there still is oil, Indonesia is in a very different position, in terms of the role of economic forces, than it was in the 1970's. In such a situation there must be a reorientation toward changed goals. In the next few years attention must be directed toward the most important problems.

4 March 1986

## INDONESIA

## OIL SEARCH IN NORTH ACEH DEEP WATERS STARTED

Jakarta ANTARA NEWS BULLETIN in English 24 Jan 86 p A4

[Text] Medan, 23 Jan (ANTARA)--Indonesia Petroleum Aceh Ltd. in cooperation with Pertamina Wednesday started an off-shore oil search aboard the ship Sedco-445 in Samalanga deep waters of North Aceh, Malacca Strait.

This offshore oil drilling that will reach 390-630 meters deep is the first conducted in Indonesia. So far, similar explorations have been conducted in spots of lesser depth.

The first drilling was marked by a button push-on of a water-depth detecting equipment by Selamat Sunaryo from Pertamina office for Northern Sumatra and K. Takahashi, director of Inpex Aceh Ltd.

Takahashi said the offshore oil search would be carried out in Block Samalanga-1, 20 km from Samalanga coast of North Aceh, where the drilling would reach 390 to 400 meters deep.

After three months of search in Block Samalanga-1, it would be continued to the second block of Mabuaye Utama-1, 80 km from Tanjung Jambuaye, where the drilling would reach 650 meters deep. In all, the search project would take some 170 days.

He added the drilling costs in Block Samarinda-1 and Block Jambuaye Utama-1 stood at estimated US\$13 million and US\$12 million respectively.

/9274

CSO: 4200/693

INDONESIA

EDITORIAL ADVOCATES AGGRESSIVE OIL MARKETING POLICY

Jakarta BUSINESS NEWS in English 24 Jan 86 p 2

[Text]

The price of North Sea oil was quoted below US\$ 20 per barrel last Monday. Brent crude oil was offered at US\$ 20.55 for delivery in February, US\$ 19.35 for April and US\$ 19.50 for May 1986, respectively per barrel. The price decline to a level lower than US\$ 20 per barrel is seen by many circles as a price slump that goes beyond psychological limits.

This price drop will affect the interest rate in Britain and the value of the pound sterling. Following this report, various speculations again emerge about a possible slump involving other types of oil, including that produced by Indonesia.

Under such speculative circumstances it is worthwhile for us to re-examine the estimates in the context of the process of price formation on the world oil market, and their implications on Indonesia. Several notes can be put forward at present. Firstly, the role of Saudi Arabia as a "stabilizer" of the OPEC volume quota seems to have ended. Saudi Arabia is now producing at the level of around 5 million barrels daily. This is far above the rate during its periods of "restraint" until three months ago. More important still, Saudi Arabia will remain capable of multiplying its production over the short term. From the position of Saudi production, the second thing worthy of note is that the OPEC quota is practically absent though it is not yet fully annulled. Hence the world oil market will witness various price adjustments on the spot market as well as separate contracts between oil producers and consumers. Thirdly, the intensity of competition is increased by the critical position of oil producing countries (such as Mexico, Nigeria) now facing balance of payments difficulties. This makes it necessary for us to view the crude oil price slump as a problem for the stability of the world monetary system. This facet will also be experienced by

Indonesia. However sound the present position of foreign exchange reserves may be, Indonesia is not immune to the adverse effects of the oil price decline on the national economy.

The implications of this prospect of oil price decline on Indonesia have apparently been calculated by planners of the Draft State Budget (RAPBN) for 1986/87. The budget volume decrease for the first time from the previous level serves as evidence of anticipation of the gloomy oil price.

Similarly, many circles raise the question whether with the volume decrease by 7%, Indonesia has really taken into account possibilities that may even be worsening. It seems that such possibilities have in broad outline also been calculated.

Oil receipts in the budget depend on production minus domestic consumption (net exports), tax on exports (the level can reach 85%, 88%, and in the case of Pertamina production, 100%) and the rupiah exchange rate against the dollar on the average per annum. With regard to the exchange rate, the President has stressed that there will be no devaluation. On the other hand, the managed floating exchange rate is applicable, but with certain limits. If the floating proceeds too fast (as that taking place in August and September 1984), a dollar rush will happen. In this way, rupiah depreciation against the US dollar in a year will not be higher than 10 – 12%.

In view of the above matters, it seems that the only way to achieve the target of oil revenue in RAPBN-1986/87 totalling 8.145 trillion rupiahs is by increasing production. The oil export figures in semester I of fiscal 1985/86 indicate a low volume. But starting semester II of fiscal 1985/86 (from October 1985), a very sharp increase in oil and condensate exports is registered.

From the aspect of production capacity, oil experts maintain that it is not difficult to raise production (now already going beyond the OPEC quota of 1.189 million barrels daily, and nearing 1.3 million barrels daily) to 1.55 million barrels daily. The production capacity of 1.7 million barrels daily can be reached with several months' preparations.

Taking a look at the world oil market in the future, nearly all circles seem to accept the oil price drop. So what happens is production increase, and Indonesia is apparently moving towards this direction. The problem is naturally the strength of the market to receive such a big volume of supply. Since the crude oil market follows different methods (future trading, direct contracts, and barter) the key to successful sales for producers is not merely price dumping. Sophisticated observations of market information and aggressive

marketing are much needed factors. The time has come for us to stop complaining to Japan for the ever shrinking market share. Aggressive marketing in fact will also be effective if Indonesia can afford to effectively provide oil in the volume, price and schedule as desired by buyers.

Indonesia should make preparations to enter a new era in the crude oil trade, from the period of the seller's market to the era of the buyer's market.

/9274

CSO: 4200/692

INDONESIA

COAL EXPORTS INCREASING

Jakarta BUSINESS NEWS in English 24 Jan 86 p 8

[Text]

The result of survey conducted in the past ten years shows that Indonesia has very potential and highly efficient coal deposits. Therefore, coal is expected to become one of important non-oil/gas export commodities.

Indonesia's coal exports continued to go up in volume and value in the past five years. Coal supplied from Indonesia to other countries rose from 112,000 tons worth US\$ 3 million in 1980 to 684,027 tons worth US\$ 25 million in the first eight months of 1985.

The increasing exports of coal are expected to compensate the decreasing exports of oil in the coming years. Coal is currently an attractive alternative energy source for consumers abroad, particularly in the neighbouring countries.

Indonesia's coal exports in the 1980-1985 period are as listed below:

YEAR	VOLUME ( ,000 tons)	FOB VALUE (US\$)
1980	112,486	3,139,085
1981	156,695	5,415,867
1982	210,738	8,774,405
1983	424,457	12,244,496
1984	882,343	26,482,022
1985 *)	684,027	25,238,667

Source : BPS(Central Bureau of Statistics)

\*) January - August.

CONSUMER : China was the biggest buyer  
COUNTRIES of coal from Indonesia in



1980, followed by Malaysia & Japan as the second and third buyers. Other countries importing coal from Indonesia in 1980 were Taiwan, South Korea, Singapore and North Korea.

But in the 1982 - 1984 period China did not import Indonesian coal. Since 1984, Malaysia has been registered as the biggest buyer of Indonesian coal, followed by Japan, Thailand and South Korea.

Indonesia's exports of coal and anthracite in 1984 are as follows :

IMPORTER COUNTRIES	VOLUME (TONS)	FOB VALUE (US\$)
1. Malaysia	367,555	12,501,849
2. Japan	313,598	8,652,328
3. Thailand	59,998	1,468,094
4. South Korea	50,887	131,395,649
5. North Korea	16,235	576,488
6. Vietnam	10,000	355,000
7. Singapore	3,300	94,840

Source:BPS (Central Bureau of Statistics)

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CSO: 4200/692

INDONESIA

TRADE MINISTER CONCERNED ABOUT NONOIL EXPORTS

Jakarta ANTARA NEWS BULLETIN in English 30 Jan 86 p A10

[Text] Jakarta, 30 Jan (ANTARA)--The government's program of boosting non-oil/gas commodity export is at present giving rise to anxiety as the realization of the export had dropped in 1985 compared to 1984, Trade Minister Rachmat Saleh said Thursday.

Speaking to a plenary meeting of the executive board of KADIN, the Indonesian chamber of commerce and industry, here the minister said that the country's non-oil/gas export from January to November 1985 had dropped by U.S.\$30 million or 0.6 percent compared to the figure of the corresponding period the year before.

Likewise in the first eight months (April-November) of the 1985-1986 fiscal year, the non-oil/gas export value had dropped by U.S.\$90 million against the same period of the previous fiscal year.

These drops in the non-oil/gas export value represent a "yellow light" for the government's program of stepping up non-oil/gas commodity export, the trade minister said.

The drops could be attributed to the fall in the prices of the export goods, such as rubber and tin, on the international market, he said.

The uncertain growth of the world economy also had effects on the export drive of commodities other than oil and natural gas, he added.

Under such conditions existing cooperation between the government and KADIN should be stepped up to invigorate the non-oil/gas export drive, according to Rachmat Saleh.

The key to making a success of the export drive, he went on, is to enhance productivity and efficiency in the country to give a competitive edge to Indonesian products in the international market.

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CSO: 4200/695

INDONESIA

PRIVATIZATION OF MONEY-LOSING STATE COMPANIES SUGGESTED

Jakarta ANTARA NEWS BULLETIN in English 30 Jan 86 p A1

[Text] Jakarta, 29 Jan (ANTARA)--The losing state-owned companies which have burdened the government, would better be run by the private concerns, according to H. Probosutedjo, a leading Indonesian entrepreneur.

He was speaking to ANTARA Wednesday in commenting on the inclusion of private capital in Torgamba plantation in North Sumatera so far managed by the State Plantation IV.

He said he could understand the government's policy on this matter adding Torgamba badly needs working capital to run the plantation, whereas it is now still ridden with big debts of approximately Rp.130 billion.

"In this difficult situation, the government then involved the private stakes in this plantation," he said.

According to Probusutedjo, the Torgamba case was just one of the examples of "the bad management" in a state-owned company. "If it is privatized, the management will surely be run professionally and efficiently," he said.

He said there were state-owned companies whose president directors unskilled and incompetent in running the management. [as published] "As a result, they keep on suffering from losses," he added.

"If they get profits, they can only pay taxes, the profits disappear every year," he said.

He nevertheless noted not all the state-owned companies need to be privatized, such as those involving the large public like state-railways.

Meanwhile, Minister of Finance Radius Prawiro told a parliamentary hearing Wednesday that the government is now re-arranging the management in state-owned companies in a bid to boost efficiency.

"Unnecessary expenditures having no connection with business activity will be abolished, and any wasteful will be avoided," he said. [as published]

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CSO: 4200/695

INDONESIA

MINISTER ON EXPORT OF RICE, CORN

Jakarta BUSINESS NEWS in English 31 Jan 86 p 9

[Text]

Indonesia's supply of 500,000 to 600,000 tons of rice to other countries does not affect the national rice stock for domestic supply, but will even stimulate the effort to further increase rice production, Minister of Agriculture Achmad Affandi told reporters after he met President Soeharto at Cendana here Thursday.

Affandi pointed out that Indonesia recently Indonesia sent rice to several countries, including Italy, the Philippines, Bangladesh, Vietnam and Comoro. The shipment of rice has reached around 200,000 tons to the Philippines and 200,000 tons to Vietnam. Vietnam still needs around 100,000 tons more from Indonesia.

The minister expressed optimism that the national rice production in 1986 would not be below that in 1985. Indonesia produced 26.3 million tons of rice last year, he said.

Concerning the plan to export maize, the minister stated his optimism that it would materialize in 1986. At least, Indonesia is expected to be self sufficient in maize this year, he added. He admitted, however, that Indonesia was still facing difficulties in storing up maize.

To cope with the oversupply of maize, Affandi has asked for the permit of President Soeharto for exporting this food-stuff. Exporting maize is more realistic than sending this food-stuff from North Sulawesi to Java. The price of maize from North Sulawesi will be higher than the price of this product imported, for instance from Thailand or Singapore, for consumers in Java.

4 March 1986

## INDONESIA

## ABRI PARTICIPATION IN OPENING TRANSMIGRATION LAND

Jakarta SINAR HARAPAN in Indonesian 6 Jan 86 pp 1, 12

[Text] Jakarta, 6 January--Following the issuance of the Joint Letter of Decision between the minister of transmigration and the commander of the Indonesian Armed Forces [ABRI], which was signed at the end of 1985, regarding the services to be performed by ABRI in supporting the transmigration program, on 5 January General L. B. Moerdani, the commander of ABRI, presided over the official dedication of Integrated Transmigration I program in Military Region VII/Wirabuan, Tomo III village, Kalukku District, Mamuju Regency, South Sulawesi.

The location is about 600 kilometers North of the capital of South Sulawesi Province. The official dedication of the work was marked by the unveiling of an inscription and the symbolic of a tree by the commander of ABRI, according to a report by the ABRI Information Center.

The choice of the transmigration location in Mamuju Regency was based on the results of a survey and research carried out by the Department of Transmigration, in cooperation with the provincial government. The condition of the area, both in terms of its relief and the thickness of the jungle covering it, was a considerable challenge for the ABRI units which, in the short space of 1 year, should be able to prepare 750 hectares and infrastructure for the transfer of the transmigrants from areas outside of Sulawesi.

The commander of the armed forces said in his speech that throughout Indonesia there is enough space for use by the transmigration program. However, doing this kind of work is not easy. From the observations made, it may be concluded that the success or failure of a transmigration project will be determined to a large extent by the preparations made by the government in getting the necessary land and infrastructure ready. It is because of this situation that the preparation of the land and the infrastructure in connection with the transmigration program has become a focus of attention by the government in making use of the efforts of members of the Armed Forces.

Meanwhile, Maj Gen Nana Narundana, the commander of Military Region VII/Wirabuan, reported on the situation to the commander of ABRI before the

official opening of the transmigration program. He said that the work on the development of the Integrated Transmigration I in Military Region VII/Wirabuana, which will be performed by Combat Engineer Battalion 8 of the military region, will also include the construction of 500 houses for local transmigrant families, as well as transmigrants from other areas, some 9 kilometers of highways, 18 kilometers of village roads, a 70 meter long wooden bridge, 50 meters of culverts, and general facilities such as a village office building, a village assembly hall, a prayer house, a clinic, and a clean drinking water facility.

Attending the ceremony was the secretary general of the Department of Transmigration, the governor of South Sulawesi, the Army chief of staff, the Army deputy chief of staff, and senior officers from Army Headquarters and Police Headquarters.

5170

CSO: 4213/92

INDONESIA

MAJ GEN SOERIPTO INSTALLED AS KOSTRAD COMMANDER

Jakarta ANTARA NEWS BULLETIN in English 30 Jan 86 p A11

[Text] Jakarta, 30 Jan (ANTARA)--Army Chief of Staff General Rudini Thursday installed Major General Soeripto (51) as commander of the Army's Strategic Reserve Command (Kostrad) succeeding Lieutenant General Soeweno.

Maj Gen Soeripto was previously the commander of the first Bukit Barisan Military Command.

He is not new in the Kostrad because he once held the post of chief of staff in the command when Gen Rudini was its commander.

Gen Rudini on the occasion reminded that the future challenges will not be lighter but with high spirit and constructive creativities.

He also emphasized the importance of the Army members to popularize modest living as part of their life. [Phrase indistinct]

Kostrad, in its struggle for the country and nation, has so far showed its outstanding roles and has always come out in time when the country is in a critical situation to save and defend the unity of the nation.

He hoped that the Kostrad's ability be maintained and developed through professional trainings and education of its soldiers.

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CSO: 4200/695

INDONESIA

SECURITY IN 1985 BETTER THAN 1984

Jakarta ANTARA NEWS BULLETIN in English 31 Jan 86 p A1

[Text] Jakarta, 30 Jan (ANTARA)--The year 1985 saw a better security and order compared with 1984, a ministerial coordination meeting on security and politics here Thursday concluded.

The meeting chaired by Coordinating Minister for Political Affairs and Security Surono expected that in 1986 the people and all security apparatus improve efforts to maintain stability and security.

There was a decrease in the 11 types of crime in 1985 by 17.59 percent compared to that in 1984, according to Information Minister Harmoko to the press after the meeting was over.

There were 80,056 criminal acts while the year before was marked with 97,149 cases.

/9274

CSO: 4200/695



INDONESIA

MURDANI ON PPP CONGRESS RESOLUTIONS

Jakarta KOMPAS in Indonesian 19 Dec 85 pp 1, 12

[Text] The government cannot accept rival party leaderships because they are not the result of a valid operating procedure or of a party constitution. In the case of the PPP [United Development Party] in particular, the government was able to accept the resolutions of the first party congress once they were revamped and made consistent with valid legislation. Therefore the leadership of the DPP [Central Executive Board] of the PPP stays the same, as was resolved at the first congress. There is no change.

General of the TNI [Indonesian National Army] L. B. Moerdani, PANGAB [Armed Forces Commander] and PANGKOPKAMTIB [Commander for the Restoration of Security and Order], made these points explicitly at a working meeting of the PPP's DPP and Provincial Executive Board (DPW) held in Jakarta yesterday afternoon.

These statements, a reaffirmation of the government's acknowledgement of the DPP which emerged from the first congress, got a joyous welcome from the audience. The congress of the DPP of the PPP held in August 1984 was the first since the fused Islamic parties created a DPP under the general chairmanship of Dr H J. Naro in 1973.

The working meeting, led by Naro, was attended by more than 200 participants from the DPP, from the MPP (Party Consultative Council) and from DPWs from all over Indonesia and by members of the PP [United Development] faction in the MPR [Parliament] and the DPR [People's Consultative Council]. Among those who did not attend the meeting were Drs Sudardji and a dozen or so members of that faction, forbidden by their chairman to attend the working meetings; the reason given was that the DPR was busy at the moment with its routine activities.

Helping

Gen Moerdani said that it is hoped that this clear statement on the part of the government will help the members of the PPP to stand firm; up to now they have been swung back and forth by the attitudes and instigations of a small number of party leaders who want radical changes. "Radical change will not guarantee the solution to problems; it will just invite new conflict," added Moerdani.

He also pointed out that it is not necessary to cancel the results of a congress or national meeting just because they are not perfect. Through existing means they should be improved continually. "The results of a second congress should be better than the first and the third congress should be even better than the previous one, and so forth and so on," he went on.

Moerdani said that up to now the party has not been unified because it has been facing continuous internal unrest. He said that the lack of unity has made it impossible for the party to exercise effective control over its members or associates, with the result that some party figures have had a confrontational attitude toward its own leadership. He warned against such a thing happening again in the future. "The government knows that the party's internal problems are very complex and that therefore it is only natural that the PPP's first congress did not satisfy all sides" he said.

His opinion is that the political life of a party, especially of a sociopolitical party, should automatically uphold the party's constitution and not the opposite. "If we get used to unconstitutional methods, we are actually training ourselves to get used to abandoning the regulations which we have agreed on," he stated.

#### Latent Danger

Moerdani also pointed out that conflict and dissension create just the atmosphere which communist, libertarian and other extremist anti-PANCASILA [Five Principles of the Nation] elements are waiting for. An atmosphere of unity and integrity must be created in all areas, he continued. Internally, every mass organization must create that unity and integrity and, in a communal atmosphere, relate to and cooperate with other mass and political organizations.

He hoped that the PPP, under the leadership of the DPP which emerged from the first congress, would continue to pull together and actively participate in helping to preserve the national stability which now exists.

#### The 1987 General Elections

At the end of his address, Moerdani said that communication and dialog like that which is taking place today should occur within all sociopolitical forces participating in the 1987 general elections, so that each and every political party and GOLKAR [Functional Groups Organization] can contribute the weight of its unity. The lack of firm preparedness and unity could grow and upset unity and efforts to preserve national stability. To make the 1987 general elections safe and secure is the role of the PANGKOPKAMTIB and the Minister of Home Affairs.

9846  
CSO:4213/75

4 March 1986

## INDONESIA

## HMI OF YOGYAKARTA TO BE DISCIPLINED

Jakarta PELITA in Indonesian 30 Dec 85 pp 1, 7

[Text] Jakarta, PELITA--The Executive Committee of the Yogyakarta Branch of the Islamic University Students Association (HMI) for the period 1985-86, which was elected at the branch conference held in August 1985, was declared illegal and will not be installed in office by the Central Executive Committee of the HMI because it has not respected the constitution and bylaws and the disciplined practices of the organization.

On 28 December a PELITA source in the Executive Committee of the HMI declared that the refusal to recognize the Executive Committee of the Yogyakarta Branch of the HMI was pursuant to a step taken by the Coordinating Body of the Executive Committee of the Central Java Branch of the HMI.

As is known, the Coordinating Body of the Central Java Branch of the HMI under Bambang Sukowati, its general chairman, declared in a letter that the new Executive Committee of the Yogyakarta Branch of the HMI was illegal and that it was hoped that a new branch conference would be held immediately and in any case before the 17th HMI National Congress is held in Padang, West Sumatra. It was learned that the Branch Conference of the Yogyakarta Branch of the HMI, in addition to electing the new Executive Committee, also approved a resolution sent to the Executive Committee of the national level of the HMI, stating that the Yogyakarta Branch would not support the Pancasila as the founding principle of the organization at its forthcoming national congress.

The source said: "The Yogyakarta Branch of the HMI has no right to disapprove the Pancasila as the founding principle of the organization, because this is a violation of the authority of those who will be attending the forthcoming congress." He recalled that in the near future the Executive Committee of the national level of the HMI will hold a meeting to resolve the question of new leadership for the Yogyakarta Branch of the HMI.

The PELITA source said that on 3 January 1986 the Executive Committee of the HMI will call a meeting of the MPK (Congress Working Council) which will discuss the congress agenda, subjects to be brought up at the congress, and other matters considered important in carrying on the congress.

Meanwhile, H. Harry Azhar Aziz, the general chairman of the Executive Committee of the HMI, told a PELITA representative not long ago that it was hoped that the national congress could be held at the beginning of March 1986. The matter involving the Pancasila as the founding principle of the organization came up some time ago at a session of the Congress Working Council in Ciloto. On that occasion it was decided to accept the Pancasila as the founding principle of the organization.

The national congress of the HMI will be attended by representatives of nine coordinating bodies of the HMI from throughout Indonesia, 67 branch organizations, and other persons who will be present as observers. The Executive Committee of the HMI has established a national congress committee, which includes both coordinating and executive sub-committees.

5170

CSO: 4213/78

INDONESIA

ISLAMIC STUDENT ASSOCIATION TO HOLD CONGRESS IN MARCH

Jakarta ANTARA NEWS BULLETIN in English 31 Jan 86 p A6

[Text] Padang, 31 Jan (ANTARA)--Indonesia's Islamic Students Association (HMI) will hold its XVth Congress here on 24-31 March with participants numbering to about 1,000 from throughout the country, the general chairman of the association, Harry Azhar Aziz, disclosed in a press conference here Friday.

He said this congress was formerly scheduled for this month but due to particularly a financial problem it must be postponed until March.

This congress will have a theme of "the spirit of Islam builds the Pancasila national ethics," and is scheduled to be opened by Vice-President Umar Wiradhadikusumah.

/9274

CSO: 4200/695

INDONESIA

NU OFFICIAL STRESSES MEMBERS' FREEDOM OF ACTION

Jakarta MERDEKA in Indonesian 3 Jan 86 p 1

[Text] Surabaya, 2 January, MERDEKA--The direction of the aspirations of the NU (Nahdlatul Ulama) in the 1987 general elections will depend on which social and political forces can best apply the NU program and are prepared to present NU members as candidates in the legislative institutions of the government. Kyai Haji Nadjib Abdul Wahab, one of the chairmen of the Executive Committee of the NU, who is also known as the leader of the Bahrul Ulum Village Religious Training Center in Tambak Beras village, Jombang Regency, East Java, made these remarks to a MERDEKA representative not long ago.

Nadjib Abdul Wahab said: "Although this is so, members of the NU who are presented as candidates by the PPP, for example, must still be considered first in terms of who they are. This is because this is the image of the person who will become a guide for the NU community. Therefore, we leave it to the person who is prepared to receive a good deal of advice from the NU. Furthermore, social and political forces may want to present NU members as candidates, although they will also be selected by the NU community."

He said that the NU leadership will not prohibit one of its members from being presented as a candidate for Parliament by any existing social or political force or being made a member of its daily executive committee. However, they must continue to show a disciplined attitude and hold firmly to the advice of the Executive Committee of the NU. They should not go off on their own, which could result in conflict with the policy lines of the NU.

He said: "The NU has released its members to join social and political forces because the NU is a religious organization. If they wish to do so, let our members go to the PPP, GOLKAR, or even the PDI. The NU won't stop them from doing that."

Up to Them

Regarding the member of the Syuriah [Advisory] Council of the NU who is known as a kyai [religious leader] and who, it turns out, has chosen to become a leader of the PPP, abandoning the leadership of the Syuriah Council, Nadjib Abdul Wahab said: "It is up to them whether they choose the Syuriah or the Tanfidiyah Council [Executive Council] leadership."

He said that every person was free to make his own decision. Certainly, there are goals, and they are responsible for everything they do. NU members can make their own evaluations of members who decide to join the PPP, rather than choosing to become leaders in the NU. Indeed, later on it will be clear how these people conducted themselves when they carried on their campaign.

Nadjib Abdul Wahab said: "Later on we will see how NU members in social and political forces function during their campaigns. If this is not agreeable to NU members, then surely they will abandon these figures, even though such people may be convinced that their presence in a given campaign is intended to bring in as many NU members as possible."

#### Leaving the NU

Recently, a rather large number of leaders of the Advisory and Executive Councils at the provincial, regency, and municipal levels have left the daily leadership organs of the NU and become PPP leaders, after the Executive Committee of the NU sketched out for them the need to avoid simultaneous membership in NU and other political party leadership organs.

Within the Provincial Executive Council of the PPP in East Java, a leader known to be very close to Kyai As'ad Sjamsul Arifin and who was a member of the leadership of the Advisory Council of the Executive Committee of the NU, Kyai Koen Soelaichudin, entered the PPP, after receiving advice from the Executive Committee of the NU. This also happened in the cases of Sjumli Sadli and Soelaiman Bijahimo, NU secretaries in East Java.

However, on the other hand, Gaffar Rahman and Kyai Abdul Wachid Zaini said they were leaving the Provincial Executive Council of the PPP in East Java to become leaders of the East Java branch of the NU.

In Central Java the names of Imam Sofwan and Karmani have been mentioned. They have chosen to become leaders of the PPP.

Nadjib Abdul Wahab hopes that wherever NU members may be found, they will continue to follow the policy lines of the Executive Committee of the NU. He said: "We will also invite them to make their own decisions, when NU members are appointed to Parliament, because I believe that there are not yet any members of Parliament who have been appointed from among the ranks of kyai or other NU leaders."

The NU leadership, Nadjib Abdul Wahab said, has no particular desire for its members to sit in Parliament. However, if they are attracted by this prospect, let them do so, because this is an individual matter. He said: "However, a kyai who has many students had better not become a member of Parliament lest his students become neglected and turn bad."

5170

CSO: 4213/92

INDONESIA

MORE LAWYERS INTERESTED IN SERVING IN LEGAL AID INSTITUTE

Jakarta KOMPAS in Indonesian 6 Jan 86 p 12

[Text] Jakarta, KOMPAS--The number of lawyers who intend to work for the Legal Aid Institute (LBH) in Jakarta is increasing rather rapidly, compared with previous years.

This was stated by T. Mulya Lubis, master of laws and chairman of the Legal Aid Institute in Indonesia, to a KOMPAS representative on 5 January, in connection with plans to set up a standard for the receipt of offers from lawyers willing to provide legal assistance with litigation through the LBH in Jakarta this year.

According to Mulya, as of 4 January there were more than 300 applicants who have volunteered to be public defenders. They are lawyers from several areas in Indonesia.

Mulya said: "This is encouraging, because it provides an indication that the confidence of the people in the LBH is increasing."

According to Mulya the increased number of new, volunteer public defenders has been attracted by an increase in the volume of cases coming in from members of the community who need legal assistance. Although the LBH in Jakarta has been rather selective in providing free legal assistance, the number of people seeking legal assistance has continued to grow, with the result that the available lawyers have not been enough to satisfy the demand.

Gift

In addition, he said, the increase in the number of legal assistance lawyers is a result of the Consultative Meeting on Indonesian Legal Aid, which was held in Rantauprapat [North Sumatra] in 1985, which was held to broaden the availability of legal services.

He said: "This is really a New Year's gift for the LBH as an ideal place to work to serve the community in the field of law."

He admitted that there were two possible conclusions which could be drawn from the increase in the number of lawyers offering their services. First, it



could be that idealism is spreading, along with a desire to bring justice to the poor. It might also be that the lawyers would rather work than be unemployed.

Mulya said: "What is clear is that from the point of view of welfare and social benefits, the LBH is not something like government or other offices. But it has a lot of work to do."

The increase in the number of lawyers under the program, which was planned to recruit 10 from among the 300 contributors, according to Mulya, really increases the burden for the LBH, particularly from the point of view of funds. This is all the more the case since the elimination of the subsidy given by the government of Metropolitan Jakarta to the LBH in 1985.

In dealing with this matter, Mulya hopes that the government will be prepared to lend a financial helping hand to the LBH, through the legal aid funds program. He said: "This is so that the LBH, on a broader basis, can help the people in the field of law."

5170

CSO: 4213/92

INDONESIA

**BALIKPAPAN AIRPORT EXPANDED**

Jakarta ANTARA NEWS BULLETIN in English 21 Jan 86 p A2

[Text]

Balikpapan, E.Kalimantan, Jan.20 (ANTARA).-- Balikpapan's Sepinggan airport, which lies 11 km northeast of the city, is now being up-graded and expanded, and by 1989 it is expected that it would enable DC-10 and Boeing 747 wide-bodied jets to land.

Balikpapan Mayor Syarifuddin Yoes told ANTARA here Monday that Sepinggan with its 1.8 km long and 30 metres wide runway was the nation's second busiest airport next to Jakarta's Soekarno-Hatta International.

An extension of the runway is now underway, and it is estimated to cost some Rp.100 billion (about US\$ 91 million).

The airport is located near the Balikpapan-Semboja highway. However, its condition is considered rather unsafe since the airport lacks fences which is very dangerous to nearby residential areas.

Being the hub of East Kalimantan, Sepinggan has its dense air traffic daily between 8 a.m. and 5 p.m. local time when every five minutes various types of aircraft from Fokker F27 turbo-props to DC-9 twin jets land and take off.

This is quite reasonable because Balikpapan is the main gateway to East Kalimantan. The region is now growing to become one of the nation's trade and industry centre.

Also, Pertamina, the state run oil company, has large oil fields on the shores of Balikpapan.

Sepinggan also serves as a transit airport, particularly for air passengers travelling from Manado and Palu (Sulawesi) to Banjarmasin (South Kalimantan), Surabaya (East Java) and Jakarta.

/9274

CSO: 4200/692

INDONESIA

PRELIMINARY CONCLUSIONS PRESENTED ON PALAPA-C SATELLITES

Jakarta ANTARA NEWS BULLETIN in English 22 Jan 86 pp A8, A9

[Text] Jakarta, 22 Jan (ANTARA)--"Satel Conseil" from France, which has been assigned as consulting firm to design the Palapa generation-C satellites, gave Tuesday several preliminary conclusions to Minister for Tourism, Post and Telecommunication Achmad Tahir.

The French consulting firm also asked the telecommunication minister for suggestions so that by the end of 1986 a request of proposal could be prepared for the generation-C satellites, the public relations officer of the tourism, post and telecommunication ministry, A.D.D. Leimena, told newsmen after the meeting.

At the meeting, Minister Tahir disclosed several factors which need attention in connection with the operation of the generation-C satellites during PELITA V and VI (fifth and sixth five-year development plans, 1988-1999).

During these periods, Indonesia is expected to have reached the self-propelling stage (of its industrialization process), Minister Tahir said, he expects therefore, that the Palapa Generation-C satellites should be designed in accordance with those period requirements and capable of stepping up development during those periods.

The Palapa satellite system has up to now used two generations, viz, generation-A, consisting of A-1 and A-2, followed by generation-B, viz. B-1 and B-2 (failed to reach its orbit) and B-3 which will be launched in June 1986.

According to Leimena, Palapa B-1 and B-3 are estimated to last until 1991/1992. Generation-C satellites should therefore be prepared well in advance, about four to five years before operation.

In the framework of cooperations with France, the Satel Conseil consulting firm has been assigned to carry out, in collaboration with a team of the directorate general of post and telecommunication and "Perumtel" telecommunication corporation, studies on planning as well as to define the criteria pertaining to service requirements of the generation-C satellites until the year 2000.

For previous generations, Indonesia assigned the American consulting firm "Tele Consultant", but due to the free of charge offer from France, Indonesia this time has chosen the French consulting firm, Leimena said.

/9274

CSO: 4200/693

4 March 1986

## INDONESIA

## BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

DR BAKIR HASAN--On 22 October 1985 Minister of Information Harmoko installed Dr Bakir Hasan in office as the new director of Antara News Agency, at a ceremony held at the Antara Building. Dr Bakir Hasan replaced Air Commodore Tranggono. Bakir Hasan, who was born in Pekalongan on 27 July 1936, continues to serve as a staff adviser to the minister and secretary of state. He graduated from the Faculty of Economics of the University of Indonesia (1965) and obtained a master's degree in business administration from the University of Wisconsin (1972). From 1967-1970 he served on the staff of the National Development Planning Board. From 1973-1978 he was assistant dean of the Faculty of Economics of the University of Indonesia. He was assistant editor of the magazine USAHAWAN INDONESIA from 1974-1985 and general manager of the magazine SWASEMBADA (1985). He was a member of the Board of Directors of the University of Pekalongan and secretary general of the Indonesian League of Economists (1978-1983). Air Commodore Tranggono, the former director of Antara, will be assigned to the Headquarters of the Indonesian Air Force. [Text] [Jakarta SINAR HARAPAN in Indonesian 22 Oct 85 p 1] 5170

H. MANSYURDIN ARMA--On 21 December H. Mansyurdin Arma (54 years old), secretary of the provincial government of South Sumatra, is scheduled to be installed in office as deputy governor of South Sumatra by the minister of home affairs, acting in the name of the president, at a ceremony at the South Sumatra Provincial Assembly Building in Palembang. H. M. Arma, who graduated with a master's degree from the Faculty of Social and Political Affairs of the University of Gadjah Mada in 1958, began his career as a civil servant in 1955 as a Class I assistant district officer in the Secretariat of the Office of the Governor of Central Sumatra in Bukittinggi. In 1959 he was assigned to the Department of Home Affairs in Jakarta. In 1959 he was also assigned to the Office of the Governor of South Sumatra and has continued to serve there since that time. [Excerpts] [Jakarta MERDEKA in Indonesian 21 Dec 85 p 6]

LIEUTENANT GENERAL MUKIAT DIES--Lieutenant General (Marines) Mukiat (Retired), who served as commandant of the Marine Corps in 1968 and as Indonesian ambassador to North Korea in 1971 and to Finland in 1975, died on 1 November at the Doctor Mintoharjo Navy Hospital in Jakarta, following an illness. [Excerpt] [Jakarta HARIAN UMUM AB in Indonesian 2 Nov 85 p 1] 5170

H. A. R. FACHRUDDIN--Haji Abdur Rozaq Fachruddin has been reelected chairman of the Central Executive (PP) of the Muhammadiyah for the period 1985-1990. The reelection of Fachruddin took place at the 41st Plenary Session of the Muhammadiyah Congress, which was held in the Palace of the Mangkunegara in Surakarta [Central Java] on 11 December, after the 13 candidates for permanent membership of the Central Executive of the Muhammadiyah met to select their chairman. Abdur Rozaq Fachruddin was born in Kulonprogo, in the Special Area of Yogyakarta, on 14 February 1916. From the time he was a child he was involved in Muhammadiyah activity, following his entry into the Muhammadiyah Elementary School in Kotagede, Yogyakarta, in 1928. He later attended a Muhammadiyah teachers' school and took religious instruction from Muslim religious teachers in the village. From these humble beginnings, Abdur Rozaq Fachruddin was much involved in educational matters as a youth, becoming a teacher in Muhammadiyah schools in Palembang and Yogyakarta, before becoming an employee of the Department of Religion. Abdur Rozaq Fachruddin officially became a member of the Muhammadiyah in 1934 and followed a career in this organization, starting at the bottom as a district leader of the Muhammadiyah Youth organization and then continuing as a leader of sub-branch, branch, and provincial levels of that body, finally continuing on to the Central Executive. He became well known in the Muslim community because of his programs containing news of Islamic religious developments, which were carried in Indonesian radio and television broadcasts from Yogyakarta. He always read the religious news in a sympathetic way which was enjoyed by everyone who listened to them. The new chairman of the Muhammadiyah Central Executive lives in Kauman, Yogyakarta, he has seven grown children, the youngest is a student at the University of Gadjah Mada. [Excerpts] [Jakarta KOMPAS in Indonesian 12 Dec 85 p 1] 5170

DR IMAM SOEDARWO--Dr Imam Soedarwo (55 years old) was elected early in the morning of 27 October as general chairman of the Central Executive Council of the All Indonesian Workers Union (SPSI). He replaces Agus Sudono, who had served since 1973 as general chairman of the All Indonesian Federation of Workers (FBSI), the predecessor of the SPSI. Imam Soedarwo is one of the chairmen of the Central Executive Council of GOLKAR. He began his labor career in the Indonesian Democratic Workers Union in 1959. He also graduated from the Faculty of Social and Political Affairs at the University of Gadjah Mada in 1959. During the Indonesian struggle for independence he was a member of Battalion 200 of the Students Army (TP) in Semarang, immediately after graduating from the Junior Teachers School in Bojonegoro [East Java]. He is married, and he and his wife have three sons and two daughters. Imam Soedarwo was born on 28 February 1930 in Randublatung, Blora Regency [Central Java]. He worked in a number of government offices before beginning his political career. The general chairman of the Central Executive Council of SPSI pointed out that a very urgent program of the SPSI at present involving the restructuring of the organization. Imam Soedarwo has said that the most important aspect of the change in name from the FBSI to the SPSI is working together. The organization must be dynamic and inspiring, he stated. [Text] [Jakarta KOMPAS in Indonesian 2 Dec 85 pp 1, 12] 5170

PROF DR KOESNADI HARDJOSOEMANTRI--On 8 January Prof Dr Koesnadi Hardjosoemantri (60 years old) will be installed in office as the new rector of the University of Gadjah Mada. He replaces Prof Dr Teuku Jacob (57 years old), who has completed his term of office. The installation of the eighth rector of the University of Gadjah Mada will be conducted personally by Minister of Education and Culture Prof Dr Fuad Hassan in the Senate Hall of the Bulaksumur Campus of the university in Yogyakarta. A KOMPAS source has stated that the decision to appoint Doctor Koesnadi as the new rector of the University of Gadjah Mada was only made on 6 January. Previously, the Council of Professors at the University of Gadjah Mada had chosen the names of three candidates for the post of rector. The three were: Prof Dr Teuku Jacob, Prof Dr Koesnadi Hardjosoemantri, and Prof Engr Gembong Tjitrosoepomo. From the list of three persons the government finally selected Koesnadi as eighth rector of the university. Until now he has been secretary to the minister of state. Koesnadi Hardjosoemantri was born on 9 December 1926 in Manonjaya, Tasikmalaya Regency, West Java. He is listed as an instructor in the Faculty of Law of the University of Gadjah Mada. In 1951, when he was studying for a doctoral degree at the Faculty of Law, Economics, and Social and Political Affairs and chairman of the Working Body of the Council of Students of the University of Gadjah Mada, he went to Kupang, East Nusa Tenggara. At the time Koesnadi was willing to leave the campus and become a teacher at a state senior high school in Kupang under the Program to Mobilize University Students [PTM]. This project called on university students to become teachers and fill vacancies on the teaching staffs of senior high schools in isolated areas, during the period following the struggle for independence. When he returned from Kupang, Koesnadi was assigned the task of supervising the Program to Mobilize University Students and was later appointed secretary general of the Central Committee of the PTM in the Department of Education and Culture, where he served until 1962. During the 12 years the PTM project functioned, about 1,400 university students were sent to teach in 161 senior high schools located in 97 isolated places outside of Java. Because he had supervised the work of university students as volunteer teachers, Koesnadi was only able to complete his studies at the Faculty of Law of the University of Gadjah Mada in 1964. In that year he was also directly appointed as the chief of community relations in the Department of Higher Education and Science. He later served as secretary general of the Directorate General of Higher Education (1966-1969) and as chief of the Directorate of Higher Education (1969-1974). From 1974 to 1980 he was an educational and cultural attache in the Indonesian Embassy in The Hague, in the Netherlands. While working there he attended the Faculty of Law at the State University of Leiden. He obtained the degree of doctor of social sciences in that university in 1981. When he returned from service abroad, he was appointed a permanent instructor at the Faculty of Law of the University of Gadjah Mada, specializing in the law on the environment, in addition to serving as secretary to the minister of state for population and environment. On 15 April 1985 Koesnadi Hardjosoemantri presented his inaugural address as a professor at the University of Gadjah Mada, which was entitled: "The Role and Participation of the Community in the Management of the Environment." He is married to Nina Sutarinah, a native of Yogyakarta who graduated in English Literature from the University of Gadjah Mada. [Excerpts] [Jakarta KOMPAS in Indonesian 7 Jan 86 p 12] 5170

CSO: 4213/94

PROF DR MOELYONO TRASTOTENOJO--On 11 January Minister of Education and Culture Dr Fuad Hasan is scheduled to install Prof Dr Moelyono Trastotenojo (52 years old) in office as the rector of Diponegoro University [UNDIP] in Semarang [Central Java], replacing Professor Sudarto, master of laws. He had previously been assistant rector of Diponegoro University for academic affairs. Moelyono was born in Batang, Central Java, on 23 June 1934. In 1960 he obtained a medical degree from the Faculty of Medicine of the University of Indonesia, and in 1965 he became a teacher at Diponegoro University in Semarang. In 1965 he was given the post of chief of the Children's Health Laboratory at the Dr Kariadi Hospital in Semarang, a position he held until 1982. In 1968 he continued his studies in child health in Toronto, Canada, and in the United Kingdom. From 1976 to 1980 Doctor Moelyono was dean of the Faculty of Medicine at Diponegoro University. In 1978 he was appointed a professor of children's health at the university. Moelyono became assistant rector of the university in 1982. [Text] [Jakarta SUARA KARYA in Indonesian 8 Jan 86 p 11] 5170

PROFESSOR DOCTOR SUYUDI--Professor Doctor Suyudi (56 years old), whose last post was that of chief of the Microbiology Section of the University of Indonesia, will be installed as the new rector of the University of Indonesia on 15 January 1986, replacing the late Prof Dr Nugroho Notosusanto, who was also minister of education and culture. Professor Doctor Suyudi was born in Bogor [West Java] on 9 September 1930. He graduated from the Faculty of Medicine of the University of Indonesia in 1959. He has written no less than 21 books, both by himself and in association with associates. He attended advanced studies in the Department of Medical Microbiology at Stanford University in the United States in 1956-57, in addition to other studies in Alabama. He obtained a medical degree in 1972 and, since 1973, has been a professor of microbiology at the University of Indonesia. [Excerpts] [Jakarta SINAR HARAPAN in Indonesian 7 Jan 86 p 12] 5170

CSO: 4213/94

INDONESIA

BRIEFS

CENTRAL JAVA CRIME DECLINES--Crime statistics in Central Java and the Special Area of Yogyakarta declined in 1985, compared to 1984. Police Maj Gen Dr Mochammad Sanoesi was speaking at a meeting at the end of 1985 of the Executive Committee of the Central Java and Yogyakarta branches of the Indonesian Reporters Union [PWI] and editors and reporters assigned to the headquarters of the Central Java Provincial Police. He said that overall crime statistics had declined by 4.79 percent, while the figure on all offenses had fallen by 34.67 percent, while traffic accidents fell by 22 percent. He said that during 1984 there were 19,612 cases involving offenses. In 1985 the corresponding figure was 18,672 cases. In 1984 there were 9,541 criminal cases, while in 1985 the figure was 6,233 cases. According to Police Major General Sanoesi, the largest category of crime at present is aggravated robbery, followed by arson and fires, aggravated mistreatment, the theft of motor vehicles, and theft involving the threat of force. [Text] [Jakarta HARIAN UMUM AB in Indonesian 3 Jan 86 p 2] 5170

INDONESIA WON'T LEAVE UNESCO--Minister of Information Harmoko has stated that Indonesia will not leave and has no intention of leaving UNESCO. Indeed, Indonesia fully supports the role of the world organization, particularly in its efforts to develop a new world order in the field of information and communications. When he received Prof Dr Marsetio Donosepoetro, Indonesian ambassador to UNESCO at the Department of Information on 2 January, he said that Indonesia will continue to participate in the United Nations to make improvements and strengthen cooperation in the information and communications area, through UNESCO. This was in accordance with the decision of the Conference of Ministers of Information of Non-Bloc Countries which was held some time ago and which essentially said: "The ministers acknowledge and express their appreciation for the role played by UNESCO in helping the non bloc countries to build a new international order in the field of information and telecommunications." The minister also declared that active cooperation with UNESCO is needed to support its goals and objectives. For that purpose the non-bloc ministers of information agree that all countries, and particularly the members of the non-bloc movement, need to do all they can to help UNESCO. [Text] [Jakarta HARIAN UMUM AB in Indonesian 3 Jan 86 pp 1, 7] 5170

35,124 WORKERS DISMISSED--During 1985 a total of 35,124 workers were dismissed from their jobs, reflecting an increase of 9 percent, compared with 1984, when 32,235 workers were dismissed. This was stated by Minister of Manpower Sudomo at a year-end press conference held on 30 December at the Department of Manpower. According to the minister, the principal cause of the dismissals was the world economic recession. No less than 14,854 workers were dismissed as a result of the recession. This was followed by the completion of work contracts, which affected 13,449 workers; disciplinary action, which affected 4,338 workers; companies closing down, 1,886; and 617 for miscellaneous reasons. During 1985 21,148 workers were involved in strikes which resulted in the loss of 557,001 hours of work (in 114 disputes). The figures on cases of strikes increased by 80 percent, compared with 1984, when there were 63 cases involving 10,836 workers, for a loss of 62,906 hours of work. [Text] [Jakarta MERDEKA in Indonesian 31 Dec 85 p 1] 5170



MINISTER ON RELIGIOUS LIFE--Indonesian religious life during 1985 functioned well. In 1986 it is hoped it will go as well. We are ready to welcome the 1987 general elections in an optimistic way, but without reducing our vigilance against the possibility that some people may create disturbances. When he was interviewed on 31 December, Minister of Religion Munawir Sjadzali said that during the last few months of 1984 and the beginning of 1985 the country was affected by a number of explosive incidents. However, we must be thankful that this unconstitutional activity did not have a network. The debate on the Pancasila as the single founding principle in mass organizations also did not last long. All concerned are relieved that religious mass organizations were able to accept it as their single founding principle. This means that at present the leaders of the mass organizations are being asked to develop among the community and their respective members an understanding of the Pancasila as the single founding principle. The Islamic community has had an historical experience which has brought wisdom to it. It has turned out that the efforts of Islam have only been successful when they moved in step with our national struggle and were part of our national aspirations. A peaceful effort is more successful. For example, the GBHN [Main Lines of State Policy] document issued in 1983 was marked with a religious spirit and gave religion the central role in our national life. The GBHN document was prepared by the People's Consultative Assembly [MPR] in which the parties considered to reflect the aspirations of Islam are in a minority. This means that religion has a place in our national life which reflects a national consensus and is no longer just the belief of a limited group. The minister of religion said: "Now we as a people and a community must be thankful that the government gives religion a proper place." [Text] [Jakarta SUARA KARYA in Indonesian 2 Jan 86 p 1] 5170

LEGAL AID AGREEMENT SIGNED--The text of the cooperative agreement on supporting development between Indonesia and the Netherlands in the legal field was signed by Ali Wardhana, coordinating minister for economics, finance, and industry, and Mrs E. M. Schoo, Dutch minister of development cooperation, at the Department of Finance in Jakarta on 3 January. The form of the cooperation over the long term will involve education and training in the legal field, as well as the development of law, legal administration, and legal research. In the initial phase assistance will be provided for 5 years. During the first year the Dutch Government will provide a grant of \$1.2 million. It is hoped that this aid will begin to be provided in 1986. Minister Schoo, who is also chairman of the Inter Governmental Group on Indonesia [IGGI], said that development activity in the field of law is an important matter. Regarding the legal systems of Indonesia and the Netherlands, which have many points in common, cooperation will benefit both sides, including both theory and practice. Minister Schoo said for the last several years a number of laws have been adopted in this country. Recent examples have included the law on justice and on the supreme court. She said: "Planning for legal development during the present 'legal era' can now be described as very appropriate." [Text] [Jakarta KOMPAS in Indonesian 4 Jan 86 p 1] 5170

CSO: 4213/92

LAOS

COMMENTARY SCORES U.S., THAILAND FOR 'COBRA GOLD' SITE

Vientiane PASASON in Lao 22 Jan 86 p 4

/Commentary: "New Risk for Washington and Bangkok"

/Text/ A recent communique by a spokesman of the PRK Foreign Ministry strongly condemned the decision by Washington and Bangkok to move the 1986 joint military maneuvers known by the secret code name Cobra Gold 86 close to the Thai-Cambodian border. According to the communique, "this decision is a provocation against the PRK. It is a serious threat to the sovereignty and territorial integrity of Cambodia. It is an obstacle to the present efforts of many in Southeast Asia and the world to solve the problems of peace and stability in this region by peaceful means." At the end the communique emphasized: "The Thai authorities must be responsible for the possible effects from the risk they are taking against the PRK."

We all know that the Thai ultrarightist reactionary cliques have become the obedient tools of the Beijing reactionaries and the American imperialists in creating tensions to destroy the atmosphere of peace and in threatening the stability, peace, and happiness of the people in this region of the world.

By serving the policy of the Beijing expansionists and hegemonists and providing all-round support such as sacrificing Thai territory by offering a hiding place to the routed Pol Pot clique and other Khmer reactionaries which resist the construction of a new life for the Cambodian people, the Thai ultrarightist reactionaries directly participate in an undeclared war by the Beijing reactionaries to resist the Cambodian people in the hope of placing the genocidal regime of the Pol Pot clique once more around the necks of the Cambodian people. At the same time, aiming at a policy of collusion between Beijing and Washington, the Thai ultrarightist reactionaries are serving the arms race policy with determination and improving the position of the American imperialists in the region.

The joint annual maneuvers with Washington called Cobra Gold, which plays a direct role in demonstrating the power of and increasing U.S. forces in this region, is an example. This year the exercise is worse than in previous years because Washington and Bangkok have decided to move the military maneuvers from where they were before to near the Thai-Cambodian border in the hope that this year's military maneuvers will be more effective. One of their aims is

to continue to expand the undeclared war against the Cambodian people, thus dismantling their revival. Another aim is to implement a plan to revive the influence of and increase the American imperialists' forces in Southeast Asia. This is another risk taken by the Thai ultrarightist reactionary cliques to serve the bellicose policy of the imperialists and international reactionaries. It is a direct threat to peace and stability in this region and in the world.

We resolutely expose the risk taken by the Thai ultrarightist reactionaries and demand that they immediately stop the military maneuvers, which are a threat to the PRK, or else they will have to be responsible for the harmful effects that could occur as a result of their own actions.

9884/12228

CSO: 4206/61

LAOS

'TALK' CITES SIAM RAT WEEKLY IN CRITICISM OF THAI POLICY

Vientiane PASASON in Lao 23 Jan 86 p 3

/"Talk": "Humorous Event During a Visit to the Cambodian Border" /

/Text/ The following article is from the editorial column of the 12 January issue of SIAM RAT, a weekly Thai newspaper.

The article discussed the case in which Air Chief Marshal Siddhi Savetsila, the Thai foreign minister, and Prasong Sunsiri, secretary of the National Security Council of Thailand, recently visited and inspected the Thai-Cambodian border. Their purpose was to provide military policy guidance for the troops there. Simply stated, Athit Kamlang-ek, RTA command and supreme commander, was ignored when they spoke directly to the troops. This was said to cause Athit Kamlang-ek some dissatisfaction.

After carefully considering these officials' duties, this weekly magazine noted that "it is common for people at the level of foreign minister and secretary of the Security Council to visit and inspect troops along the border. Therefore, it is unavoidable for them to be asked about the foreign policy of the government (the Thai Government) and about which way it is really going, because nowadays the troops stationed along the border do not yet know the specific direction of the Thai Government's foreign policy clearly; they do not know whether they will be ordered to attack or to wait in their offensive positions forever. This is useless, as it will have negative effects in nearly every way for the Thai troops along the border."

As for relations between Thailand and ASEAN, the magazine cited the example in which "many times the Thai foreign minister made proposals at ASEAN meetings, and even when they were agreed to by the majority, none of the Thai proposals was ever carried out. Instead, they were ignored by ASEAN. A clear example is when the Thai foreign minister proposed to be a mediator to hold proximity talks, even though the Malaysian side had made this proposal previously and there was no response from Vietnam and Cambodia. When Thailand again made the proposal there was no response from any side, and this has caused the Thais to lose face." It is regrettable that the magazine did not state clearly that Thailand is isolated because Thai foreign policy follows that of the American imperialists and Beijing reactionaries; ASEAN itself does not want to go along with it.

At the end the magazine said that "the government under the leadership of Gen Prem Tinsulanonda should state its foreign policy more clearly than it has. It should have a foreign policy which is independent of and not involved with that of any nation. It should have diplomatic relations with Vietnam and Cambodia on a peaceful basis without mutual aggression in order to eliminate all conflicts. Thailand, Cambodia, Laos, and Vietnam have a connecting territory, and we should not create conditions for war in this region.

"War is a great danger that destroys the economy and lives of the people. Only peace will build the world and make nations progressive and independent.

"The Thai Government should stop making sacrifices regarding the Cambodian issue; it is better to let the Indochinese nations solve the problem themselves. They should stop thinking about being unilaterally invaded by Vietnam and Cambodia. The lesson from Israel's invasion of Lebanon is that Israel lost everything, not to mention a superpower like the United States which once used its military forces to conduct wars of aggression beyond its borders many times in this region of the world, causing losses among its troops so they could hardly flee back to their own country.

"When Beijing made war against Vietnam in 1979 the world knew well who was giving whom a lesson. Even now the superpowers are opening diplomatic channels to each other all the time. In another 3-5 years there could be an easing of the situation in Cambodia. Because we can see each other just by looking through a window where will Thailand hide its face?"

This is an important article in the Thai weekly SIAM RAT, which reflects very well the ideology of the Thai people and their wish to live peacefully with their neighbors. However, it is difficult for the Thai ultrarightist reactionaries to pay attention to this reasonable point of view because they do not pay attention to the basic demands of the Thai people and the troops who are children of the Thai people who demand peace and happiness and who desire to raise their standard of living. On the contrary, the Thai ultrarightist concentrate on serving the arms race and the policy of creating tension by the American imperialists and the international reactionaries, even though the Thai economy is steadily declining, and each day the standard of living of the Thai people and soldiers is decreasing.

According to the magazine, it is not because the Thai ultrarightist reactionaries do not know the advantages of bringing about peace with their neighboring countries, but because the policy of following the American imperialists and the reactionaries in the Chinese power-holding cliques makes them close their eyes and concentrate on doing things that are against the will and the interests of the Thai people.

9884/12228  
CSO: 4206/61

PHILIPPINES

MORE TROOPS SENT TO FIELD IN CENTRAL LUZON

Manila BULLETIN TODAY in English 14 Jan 86 p 5

[Article by Jerry Lacuarta]

[Text]

SAN FERNANDO, Pampanga — Military authorities here said yesterday that soldiers who have remained idle for the past many months will be sent to the field to boost military operations against insurgents in the region.

Brig. Gen. Isidoro de Guzman, Regional Unified Command (RUC) 3 chief, said the soldiers, numbering about 600, have been assigned to various military units in Camp Olivas here.

De Guzman, who is also concurrent 3rd PC-INP regional commander, described the insurgency problem in Central Luzon as "very critical" not only because the New People's Army (NPA) has grown from a mere 100 in 1981 to about 800 in 1985, but also because of region's proximity to Metro Manila.

"We've got to dismantle the NPA armed apparatus in Central Luzon before everything will become already out of control," De Guzman said.

"We will now launch an offensive thrust against the rebels in-

stead them doing the offensive operations," De Guzman said.

He said the strength of the rebels has grown apparently because military operations have been relegated to the background in favor of civic action.

While he commended the government civic action program, De Guzman said rebels took advantage of the situation, killing soldiers harnessed in civic action and rebuilding their forces.

De Guzman said the military "should only be doing complimentary civic action work, which is supposed to be undertaken by civilian government agencies, including the local governments.

De Guzman disclosed that of about 800 NPA armed members in Central Luzon, 309 have already been identified and the rest are known by their aliases.

The RUC 3 chief was head of the military intelligence's "Operation Scorpio" that led to the capture in 1976 of Bernabe Buscayno alias "Commander Dante," erstwhile NPA chief.

/9274

CSO: 4200/691

PHILIPPINES

POLICE REPORTER ON MILITARY CORRUPTION, SALVAGING

Manila BULLETIN TODAY in English 14 Jan 86 p 8

[Article by Ramon Tulfo: "It's 'Salvage' Time"]

[Text]

SOME generals and colonels in the Armed Forces were deprived of a "sideline" after Defense Minister Juan Ponce Enrile ordered a review of AFP contracts for the procurement of clothing items for soldiers and militiamen.

Word had reached Enrile that uniforms of soldiers and members of the Civilian Home Defense Force (CHDF) were overpriced.

For example, he found that for 57,000 uniforms for the CHDF, the government was to have paid P8 million or P141 apiece. Mr. Enrile disapproved the contract to buy the uniforms because the same uniforms can be bought for only P115 per piece from another supplier.

The irregularity that the defense minister has uncovered in the AFP is just drop in the bucket. The Armed Forces buys numerous other items for the use of its personnel and for many of its offices. Such items are too numerous to be mentioned here.

Mr. Enrile should also order a review of the contracts for the procurement or purchase of those other items.

While he's at it, Mr. Enrile may also want to look into reports that some commanders are pocketing allowances of CHDF members.

Such malpractice has led many CHDF members, who depend on their meager allowances to feed their families, to extort money and food from civilians.

It's "salvage" time again in Quezon City. Salvage is a term used by the police and underworld in describing a gangland-style rubout.

Several notorious criminals have been found dead in various parts of the city lately. One of them was the No. 1 pickpocket in Cubao whose mutilated body was found in Diliman.

The others were believed to be holdupmen. One was a member of the Sigue-Sigue Sputnik gang who bore numerous tattoos on his buttocks. He was found with a handkerchief tied around his neck. Another was a member of the Bahala Na Gang who had a stab wound in the back.

Were the killings the work of the police or rival gangs?

Nobody would know. In the territory of Brig. Gen. Alfredo Lim, notorious hoods are like rats. As some rats die of food poisoning, so some criminals die of "lead" poisoning. As other rats are smoked out of their holes and bludgeoned, so other criminals are hunted down and killed by stabbing or strangulation.

And lest General Lim comes to us to protest, we're not saying he's behind such killings.

A handful of Army troopers would have met certain death when they were cornered by 50 heavily armed rebels in Quezon province recently if not for the timely arrival of an Air Force helicopter. The chopper strafed the enemy's position, making the rebels retreat.

This time, the helicopter assigned at the Regional Unified Command (RUC) 4 based in Lucena City was used for its intended purpose. In many other instances, the chopper was used in patrolling the fishpond of a high military officer.

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PHILIPPINES

MNLF-SUSPECTED SABOTAGE CUTS ZAMBOANGA POWER

Manila BULLETIN TODAY in English 16 Jan 86 pp 1, 11

[Article by Roy Sinfuego]

[Text]

The National Power Corp. announced yesterday that it has restored electric service to the entire Zamboanga peninsula as of 6 p.m. of Jan. 13 following completion of repair work on damaged portions of the Abaga-Aurora transmission line.

In Lanao del Sur, meanwhile, 35 of 37 towns have been without electricity since Tuesday last week after suspected Moro National Liberation Front rebels toppled down several electric posts in the towns.

Lanao del Sur Gov. Ali Mohammad Dimaporo said that only the towns of Sagiaran and Wao and Marawi City had electric service as of yesterday.

The Zamboanga power cut-off, which lasted six days, also affected the cities of Zamboanga and Ozamis in Misamis Occidental.

The 85-kilometer transmission line from Abaga near Iligan City and Aurora in Zamboanga del Sur tripped out at the height of heavy rains and winds last Jan. 8. Inspection of the

main transmission line indicated that cables were cut by fallen trees and rifle fire at three points.

The power line has at times been disrupted by armed men shooting at the conductors. The last incident on Nov. 26 caused a power blackout in the entire Zamboanga peninsula.

NPC had to use military helicopters to ferry repair crews because the affected cables were located in rugged terrain.

A power barge will be moored in Zamboanga City at the end of the month as standby power source in case another interruption occurs.

**COTABATO CITY —** Gov. Mohammad Ali Dimaporo of Lanao del Sur said yesterday that he will personally lead the fight against elements of the Moro National Liberation Front in his province if they continue disrupting the peace and order in the area.

Gov. Dimaporo aired the warning after MNLF rebels allegedly belonging to the Misuari faction toppled down more than 40 electric post in the province, cutting off electricity to 35 towns since Tuesday last week.

The towns without

electricity for seven days now are Biagapo, Marantaw, Balindong, Tugaya, Bacolod Grande, Matalum, Madamba, Ganasi, Pualas, Malabang, Bala-bagan, Capatagan, Binacayan, Marugong, Tuparan, Lumbayan-naki, Lumbatan, Batik, Bayang, Masio, Punabayabao, Lumbabayabao, Tamparan, Bumbaran, Mulondo, Bubong, Taraka, Raman Ditsaan, Puadiposo, Kapay, Taguluan, Maging, Sultan Guman-der, Kalanugan, and Pagayawan.

Dimaporo told *Bulletin Today* that MNLF rebels cut down and blew up 40 electric posts of the Lanao del Sur Electric Cooperative using chainsaws and explosives.

As of press time, only the towns of Sagiaran, Wao, and Marawi City have electricity, he said.

He said the MNLF rebels have caused inconvenience and hardship to some 700,000 Muslim inhabitants in the towns surrounding Lake Lanao.

"They are now very impatient and want to get arms and run after the rebels and crush them," Dimaporo said.



PHILIPPINES

GOVERNMENT PAPER TIES REBEL PRIESTS TO AQUINO, MISUARI

Manila BULLETIN TODAY in English 17 Jan 86 pp 1, 12

[Article by Joem Macaspac]

[Text]

Agapito "Butz" Aquino's meeting in Madrid, Spain, with the secessionist leader Nur Misuari of the Moro National Liberation Front (MNLF) was arranged by two renegade priests fighting their own shadowy war against the Philippine government, well-informed political sources said yesterday.

The two are Fr. Romeo Intengan Jr., SJ, chairman of the central committee of the radical socialist party PDSP (Partido Sosyalistang Demokratiko ng Pilipinas); and Luis Jalandoni, a secular who has renounced the priesthood, the National Democratic Front's European agent.

The PDSP's military arm — called "Sandigan" — has since the early 1980s been engaged in urban terrorism, arson, and agitation in Metro Manila, and guerrilla warfare in the three Davao provinces. It has allied itself with both left-wing and right-wing anti-government groups.

Misuari told the Agence France-Presse

in Fez, Morocco, last week that Aquino and he had reached a preliminary agreement about an opposition government's recognizing the "Bangsa Moro Republic" in Mindanao, Palawan, and Sulu.

The PDSP leader apparently arranged the Madrid meeting between Aquino and Misuari — their first contact — as a favor to the MNLF leader.

Between 1979 and 1981, the PDSP had allied itself with the MNLF. Under the Muslim secessionists' wing, they trained their Sandigan recruits in guerrilla tactics in a clandestine camp in Sabah, North Borneo. Driven out of Sabah because of MNLF suspicions that the Sandigan ranks were infiltrated by government agents, the PDSP regrouped in Southeastern Mindanao, concentrating in Davao del Sur.

Intengan and another PDSP leader, Norberto Gonzales, met Misuari in Tripoli, Libya, in 1981. Intengan was then teaching theology at the Ateneo University, having been released in the custody of his superiors after his arrest during a street march in 1979.

The PDSP is one of the radical church groupings that emerged from the surge of Catholic activism in 1968 — impelled by Vatican II and the increasing awareness that the Filipino dispossessed were falling away from their accustomed religion.

Contemptuous of the church establishment's "cottage industry" concept of social development, the religious radicals increasingly found themselves either collaborating — or competing — with the CPP-NPA cadres they came across in the country's rural areas.

The PDSP, which has close links with the Ateneo campus in Quezon City, was apparently founded (in 1973) to counter Communist influence among the less-privileged groups in the country.

An AFP raid on the Ateneo grounds in 1978 resulted in the capture of top PDSP leaders and the seizure of party documents. Since then it has entered into tactical alliances with the CPP-NPA.

Datu Firdausi I. Y. Abbas, secretary-general of the Bangsa Moro Islamic Party (BMIP), lamented in an overseas interview yesterday the reported meeting between Agapito "Butz" Aquino and Nur Misuari, former Moro National Liberation Front (MNLF) chairman who was deposed by the political and military officers of

the MNLF since 1982.

Datu Abbas, who is at present in Kuala Lumpur, made the statement during a conference with Sultan M. Y. Abbas Jr., MNLF chairman of the political and foreign affairs committee who is also BMIP president, and Commander Dimas Pundato, chairman of the MNLF executive council.

The BMIP is seeking autonomy and support of the legitimate MNLF, under Pundato and Sultan Abbas. The two are now recognized as the legitimate leaders of the MNLF by the Rabita-Al-Alam-al-Islami (an international organization) and even by the Palestinian Liberation Organization (PLO) whose chairman Yasser Arafat met Sultan Abbas Jr. in Tunisia.

Misuari, whose advocacy of secession has been rejected by the Organization of the Islamic Conference (OIC) and by the BMIP, no longer has any personality, Datu Abbas said.

"We lament the meeting between Aquino and Misuari because it shows that the opposition is playing politics with the Bangsa Moro and unless the opposition recognizes the legitimate leadership of Dimas Pundato and Sultan Abbas of the MNLF, then there might be a radical change in the policy of the BMIP with regards to the coming presidential election," he said in a statement.

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PHILIPPINES

NPA KILLS 7 NORTHERN LUZON REBEL POSEURS

Manila BULLETIN TODAY in English 17 Jan 86 p 8

[Article by J. Dait, Jr.]

[Text]

BANAUE, Ifugao —  
For putting the blame  
on the New People's  
Army for their mis-  
deeds, seven suspected  
holdup men in this town  
were reportedly meted  
swift justice by the  
NPA's themselves.

The seven highway  
brigands were killed re-  
portedly after the NPAs  
learned that the holdup-  
men had been falsely  
spreading word that the  
rebels were responsible  
for the series of holdups  
which had victimized  
travelers to this popular  
resort town.

Four of the holdupers,  
all members of the same  
family surnamed Balla-  
tong, were killed in  
barangay Loboong here.

Two other suspects,  
one identified as Peter  
Uyammi, were killed at  
barangay Viewpoint.  
The 7th victim was shot  
in barangay Gohang.

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PHILIPPINES

COLUMNIST: VER 'VICTIM OF POLITICAL CIRCUMSTANCE'

Manila BULLETIN TODAY in English 17 Jan 86 p 6

[Commentary by Adrian Cristobal: "The Other Side of Power"]

[Text]

At any other time, the retirement of a chief-of-staff of the AFP would not merit headlines and would be of significance only to his followers and successor. But Gen. Fabian C. Ver, whose record of service to his country has yet to be given the proper publicity (he was, for example, a key officer in Magsaysay's crippling of the Huk insurgency), is leaving his post in the controversial aftermath of an assassination, an inquiry that degenerated into a lynch mob, and a public trial that inflamed passions and ignited more controversy. As far as detractors are concerned, Gen. Ver, by virtue of his position, power, and after the manner of our dubiously delightful politics, does not deserve any consideration. Only presidential firmness enabled him to stay on but in the final analysis, Ver is still the victim of political circumstance.

A media campaign orchestrated from across the seas prosecuted and judged Gen. Ver; an insistence on clean and fair elections sealed his fate. The merits or demerits of his military leadership were set aside to accommodate and placate foreign gods and native worshippers. But for a military man, this is not something to cry over. A good soldier is a good soldier not only in good times but also, and specially so, in bad times.

The one bit of consolation for Gen. Ver — something missed by the headlines — was the visit of his counterpart from Indonesia, Gen. Moerdani, a show of comradeship that is also a sure mark of goodwill from Suharto to Marcos: a signal to detractors in our regional neighborhood.

In the high reaches of power, statesmen, both military and civilian, send the subtle signals that are the mark of solidarity and high responsibility.

For all that, Gen. Ver has had his day. He reached the pinnacle and dream of every soldier who has served his country and commander-in-chief well. His sacrifices have been rewarded with power and responsibility. But like all others who rise to prominence in interesting times, he has also known the Other Side of Power, which is calumny.

For men of power, there is less to fear from the just as from the envious, the resentful, and the frustrated. That is the way men have been since ancient Greece.

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PHILIPPINES

GENERAL VER ANNOUNCES NEW TRAINING POLICY

Manila BULLETIN TODAY in English 19 Jan 86 p 8

[Text]

All soldiers to be assigned to combat operations will first undergo Scout Ranger training before they are deployed to the field.

This policy was announced yesterday by AFP Chief of Staff Gen. Fabian C. Ver during the celebration of the 31st anniversary of the First Scout Ranger Regiment (ISRR) at its headquarters in Ft. Bonifacio, Makati.

Ver cited the heroism and daring of the rangers as he traced the history of the regiment to the anti-Huk campaign in the 1950s.

He said: "The fierce stand of the unit and its men to fight the evil forces, which seek to change our democratic institutions, has been a source of pride and inspiration... and I feel that it is the training that has been the main distinction of the rangers from other sol-

diers."

The Scout Ranger training was formally started on Nov. 25, 1950 with selected men from the different battalion combat teams who were then trained in jungle fighting, commando raids, and other aspects of guerrilla warfare.

Four years later, the ISRR was activated but in 1957, when the Huk menace subsided, the Regiment was deactivated although scout ranger training was still undertaken intermittently.

When General Ver assumed as chief of staff he saw the need to reorganize the Armed Forces to meet the threats of communist insurgency in the 1980s.

Ver emphasized the strengthening of elite combat units and ordered the reactivation of FSRR on March 17, 1983 under Brig. Gen. Felix A. Brawner.

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PHILIPPINES

AFP CHIEF SETS SURRENDER, NOT ELIMINATION OF NPA AS GOAL

Manila BULLETIN TODAY in English 21 Jan 86 pp 1, 10

[Text]

TANAY, Rizal — Gen. Fabian C. Ver, Armed Forces chief of staff, said here yesterday that the success of the counter-insurgency drive should be measured by the number of rebels and supporters returning to the fold of the law and involving themselves in the programs of government, and never in terms of the number of enemies killed.

The AFP chief stressed this point during the 10th anniversary celebration of the 2nd Infantry Division (Jungle Fighters) at Camp Gen. Mateo Capinpin here where he was treated to a simple but meaningful birthday party.

In a speech, Ver emphasized that "in the kind of war we are engaged in, it is plainly suicide to use the number of people killed as the measure of victory or defeat."

"Our troops," he said, "should not aim at the physical destruction of

the enemies, if it can be avoided, for after all they are brother Filipinos."

Ver noted, however, that the basic orientation in the training of the soldier and his unit is the capability to conduct search-and-destroy operations to annihilate the enemy.

"But," he said, "this is the traditional role in hostilities between two nations where the key parameter of victory is invariably the number of the opposing country's nationals killed or otherwise immobilized."

The AFP chief discussed the importance of training in the orientation of military thinking and reiterated his policy that all commanders and all other AFP personnel should establish effective mechanisms with the citizenry so that "more of our misguided brothers will be convinced to come home to the fold of the law."

Ver stressed that the process of strengthening the public confidence in government is not the sole job of the military.

He reminded the Jungle Fighters of the role the soldier must play in this regard and of the importance of fortifying the bonds of unity, solidarity, and cooperation between the military and the citizenry.

The Jungle Fighters' anniversary observance coincided with the Joint graduation exercises of the Army basic military training, the re-training and re-orientation, and the Filipino ideology trainers' course conducted by the division under Brig. Gen. Roland I. Pattugalan.

Addressing the graduates, Ver emphasized the need to incorporate value-enrichment modules into the basic training courses. He exhorted all military personnel to commit to heart the 17-point directive he issued recently.

The observance of the basic rules of conduct will go a long way in enhancing military courtesy and discipline, Ver said. "I consider such observance and such indoctrination as integral part of our program to

revive and revitalize the time-honored values that have endeared the military to the people," he added.

In Tanay, Ver was presented a plaque signed by Lt. Gen. Fidel V. Ramos, AFP vice chief of staff and members of the J-staff declaring their unity and loyalty to Ver.

After his Tanay visit, Ver helicoptered to the Navy Village in Fort Bonifacio where he was guest of honor during the ground-breaking ceremonies of the Philippine Navy's new housing program for its officers and men.

Ver thanked Navy Chief Commodore Brilante C. Ochoco for the opportunity to demonstrate on his birth anniversary his concern for the well-being of the common soldiers.

Ochoco said the housing project is the brainchild of Ver to uplift the morale of the man in uniform. Ver called upon other commanders to initiate and effect whatever is necessary to upgrade the lot of the soldier.

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PHILIPPINES

GROUP EXPECTS FILIPINO SPOKEN NATIONWIDE BY 1995

Manila BULLETIN TODAY in English 14 Jan 86 p 12

[Article by Tony Pe. Rimando]

[Text]

By the year 1995, every native of the Philippines regardless of his regional affiliation would be able to speak Filipino, the country's national language.

This was projected by the Surian ng Wikang Pambansa (SWP) reported that, based on a projection by the National Census and Statistics Office, the country, by 1995, will have a total population of 72,505,442 all of whom will be speaking fluent Filipino.

A Ministry of Education, Culture and Sports bulletin released recently said that the national language some 10 years from now would have been based mainly not only on Tagalog but also on other major local dialects, such as Cebuano, Ilocano, Muslim, Pangasinense, Pampango, Hiligaynon, and Waray.

The projected capability of every Filipino to speak his own national language is expected to strengthen the Filipino

people's identity worldwide and ultimately bring about better understanding, unity and cooperation as well as stronger nationalism among them.

The MECS reported that in 1970, at least 55.2 percent of the nation's 36,684,486 inhabitants could speak Filipino.

In 1975, the report added, 26,339,401 or 62.6 percent of the 42,070,660 Filipinos were national language speakers.

Another five years later, 72.3 percent of the 48,098,460 inhabitants — or 34,775,186 — could express themselves in Filipino.

Last year, the MECS said, 45,648,113 or 82.9 percent of the country's population of 55,066,386 were Filipino language speakers.

The MECS projected that by the end of 1986, at least 84.8 percent of the country's projected population of 56,639,075

would be able to speak the national language.

MECS projections showed that by 1987, Filipino language speakers would comprise 86.8 percent of the population, 1988 — 88.8 percent; 1989 — 90.9 percent; 1990 — 93 percent; 1991 — 94.4 percent; 1992 — 95.9 percent; 1993 — 97.5 percent; 1994 — 99 percent; and 1995 — 100 percent.

The SWP considered the MECS bilingual program, implemented since the early 1970's, as an important factor in hastening the growth and development of the national language.

The program calls for the use of Filipino as medium of instruction in several subjects in the elementary and secondary schools.

The SWP also cited the role of the media — especially radio, television, and vernacular periodicals — in the rapid popularization of Filipino among the inhabitants of the country.

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PHILIPPINES

LOCAL, U.S. BUSINESSMEN OPTIMISTIC ON ECONOMIC GROWTH

Manila BULLETIN TODAY in English 17 Jan 86 pp 1, 13

[Text]

American investors and Filipino business leaders have expressed optimism about the economic growth and development of the Philippines in the next few years.

This optimism was aired during a luncheon meeting between Filipinos and American businessmen, including economists of Morgan and Stanley, an investment banking group based in New York. The meeting was held at the Manila Peninsula the other day. (See photo on Page 21).

Dante Santos of the Philippine Chamber of Commerce and Marsh

Thompson of the American Chamber of Commerce said they based their optimism on the positive steps taken by the government to maintain the trust and confidence of foreign investors during the past years.

Thompson said American investors have expressed renewed confidence and trust in the Philippine economy, adding that American businessmen in the Philippines "had made profits despite the adverse conditions since 1983."

Mrs. Joanne de Asis-Benitez, who hosted the luncheon, invited the

New York-based economists to see for themselves the situation in the Philippines.

The group expressed satisfaction about what they saw during their visit.

Santos said, "Even if there have been restrictions, there has been a certain degree of liberalization on the part of the government to give the business sector the chance to recover."

The economists from Morgan and Stanley—John Paulus, William Birch, John Lim, and Ms. Elaine La Roche—gave their observations about the world economic situation.

They predicted a "sluggish" world growth and the lowering of inflation and the value of the US dollar.

Paulus admitted that the US tended to dictate on the world economy but noted that other countries have now begun to assume a more powerful role.

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PHILIPPINES

TRIBESMEN ORGANIZE IN DISPUTE WITH BENGUET CORPORATION

Manila BULLETIN TODAY in English 18 Jan 86 p 9

[Text]

ITOGON, Benguet —  
"We have to assert our ancestral rights; otherwise we will be dislocated from our ancestral lands and economic livelihood."

This assertion came from a group of Benguet Ibaloi and Kankanaey tribesmen of barangay Gumatdang here after they organized the "Dalisay Camote Miners Organization" (DCMO) last week.

With the formation of DCMO by 46 private miners, trouble between them and Benguet Corp. loomed as the DCMO members appeared to be on carrying out their mining activity within the Kelly mining claim of Benguet Corp.

Through their spokesmen, Eulogio Lamqui Jr. and Modesto Galagal Sr., DCMO president and vice president, respectively, they said, "Our forefathers were the original owners of this place. They have been mining here as far back as each generation

could remember until an American gold prospector named Kelly took over the sub-surface rights through the ignorance of our ancestors."

Kelly later sold his rights to Benguet Consolidated Mining (now Benguet Corp.)

The descendants of the original owners continue to mine at the Kelly site to this day, digging their private tunnels.

During good times, a miner could get sacks of naba (gold ores) which were processed to produce a few grams of low-carat gold sold for P150 per gram.

Since Benguet Corp. started full operation at the site in 1982, the company has prohibited all private miners from carrying on their activities in the area.

Among those who were recently arrested by security guards were private miners Jimmy Langgoyan and Domingo Pedro. (ISC)

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PHILIPPINES

FALLING SUGAR PRODUCTION PROMPTS IMPORTATION CONCERN

Manila BULLETIN TODAY in English 18 Jan 86 p 17

[Text]

Philippine sugar production during the first four months of crop year 1985-86 reached only 360,000 metric tons, indicating that the production target of 1.3 million metric tons during the current crop year may not be achieved.

The current crop year started in September 1985 and ends in August this year.

Industry sources estimated that the four-month production already represented about 40 percent of what the industry could produce during the season.

This means that the industry projects a production of only 950,000 metric tons during the crop year, with 570,000 metric tons expected to be produced in the next eight months.

Industry officials traced the fall in production to a number of factors, including

lack of financing, low hectarage, reduced farm inputs and low sugar content of canes.

This season's projected output is so far the lowest in years since the sugar industry boomed, with production peaking at 2.9 million metric tons in 1975, before gradually declining to 2.5 million metric tons in 1982 and to 1.7 million metric tons during the 1984-85 crop year.

Industry officials warned that if the trend in production continues, output during the 1986-87 crop year could go down to 750,000 metric tons.

At such a level, a sugar shortage is held certain and importation may be necessary to fill in demand.

The projected output of 950,000 metric tons for the current season will already result in a tight supply

situation.

Domestic consumption is estimated at about one million metric tons or even less while the US export quota is set about 208,000 metric tons.

This means that to meet domestic consumption and the US quota, a sugar stock of 1.2 million metric tons would be needed.

The shortfall in the current production is to be met by sugar stocks carried over from the previous crop year which are projected to be in the range of about 100,000 metric tons.

In a way, the fall in production will be beneficial to planters since it will certainly keep prices from falling further.

Since last year, the target liquidation price for sugar has been set at P300 per picul but in recent weeks this has gone down to about P260 per picul.

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PHILIPPINES

SUGAR PRODUCERS STILL SEEKING PAYMENT

Manila BULLETIN TODAY in English 20 Jan 86 p 9

[Text]

Sugar producers continue to be restive over the government's failure to settle P1.2 billion in overdue obligations of the defunct National Sugar Trading Corp. (Nasutra), and P570.9 million worth of export sugar delivered over the past six weeks since Dec. 9 last year to Nasutra's successor, the Philippine Sugar Marketing Corp. (Philsuma).

This was stated yesterday by Member of Parliament Fermin Z. Caram Jr., vice president for Western Visayas of the United Nationalist Democratic Organization (Unido), following complaints lodged with him and MPs Arthur Defensor and Wilson P. Gamboa by sugar producers from Iloilo and Negros Occidental.

Caram, Defensor, and Gamboa said the P570.9 million due from Philsuma represents 16 percent of total production for crop year 1985-1986 from Dec. 9, 1985 to Jan. 19, 1986, allotted for export sugar in accordance with Philippine Sugar Order No. 1.

The export sugar estimated at 1.9 million piculs was delivered to Philsuma which was supposed to pay producers P300 per picul, subject to export price differentials to be computed and paid for at the end of every quarter of the year.

The balance of 84 percent of total production or about 10 million piculs has been allotted for local consumption and is sold in the free market.

The three said Nasutra's long overdue obligations of P1.2 billion to producers represent over P761 million worth of domestic sugar delivered to Nasutra since March 4 last year, and over P442 million in export price differentials for crop year 1984-85.

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PHILIPPINES

GOVERNMENT ADMITS MALNUTRITION WORSENING

Manila BULLETIN TODAY in English 20 Jan 86 p 8

[Article by M. C. Rodriguez]

[Text]

The government has admitted that the country's malnutrition problem has worsened despite intensive implementation of nutrition programs by the agriculture, health, social service, education ministries and local governments.

Its assessment of the country's nutrition situation was contained in the latest official annual report of the government National Nutrition Council (NNC). The report was based on a nutrition survey covering 45 provinces, 19 cities, 121 municipalities, and 150 barangays.

About 13 percent of children weighed were suffering from malnutrition. The weights of these children were 85 percent below the standard weight for their height.

The number of children found suffering from malnutrition, the NNC reported, is 40 percent higher than that reported in the 1982 nationwide nutrition survey conducted by the Food and Nutrition Research Institution (FNRI).

The FNRI study showed that 3,615 of subjects examined, 9.5 percent were under-

nourished. The most number of children found underweight was in Metro Manila with 14.4 percent. The lowest was recorded in the rural areas with 8.9 percent.

The NNC report also revealed that the prevalence of underweight preschoolers, whose weight is 76 percent below the weight for age standard, is 20.5 percent. This was reported to be 19 percent more than the prevalence of underweight cases in 1982.

The 1982 survey showed that using the

cut-off point of 75 percent for the standard weight-for-age, there were 17.02 percent of zero to six-year-old Filipino children who were underweight for their age. The survey examined 3,634 subjects.

The deteriorated state of nutrition was attributed to several factors, such as the gradual phaseout of foreign food assistance, massive unemployment due to economic recession, and soaring prices of commodities.

Despite these difficulties, achievements in the nutrition program were noted by the NNC.

It reported the following achievements:

1. About 99 percent of the target population of 1.5 million preschoolers and 4.9 million schoolchildren were given food assistance, while nutrition information and education programs reached 100 percent of the targetted homemakers.

2. About one million or 79 percent of targetted preschoolers, 350,000 of 49 percent of targetted pregnant women and 1.1 million school children were given immunization.

3. Nearly one-million families were engaged in selective backyard food production.

PHILIPPINES

COLUMNIST CITES ASEAN CONCERN OVER SRV, CAMBODIA

Manila BULLETIN TODAY in English 21 Jan 86 pp 6, 10

[Commentary by Melchor P. Aquino: "Ominous Signs"]

[Text]

**W**ITH the attention of the local and foreign press focused on the presidential campaign, scant notice has been taken of events in Cambodia, which portend fresh Vietnamese offensive on the resistance forces in that unhappy country and incursions into Thai territory.

The Vietnamese have concentrated personnel and logistical preparations on a strategic area opposite the Khmer Rouge stronghold at Paet Um, admittedly a major military target.

Tension along the Thai-Cambodian border has heightened in recent weeks, according to reports by refugees and relief workers.

Qualified sources in Bangkok have observed a dramatic improvement of the reach and power of the Vietnamese air force. Hanoi reportedly is due to receive two squadrons of Soviet supersonic MIG-23 fighters, well ahead of previous schedule. It will be regaled that Soviet deployment of MIG-23's at Cam Ranh Bay last year aroused grave concern among ASEAN nations.

For the first time, the Cambodian air force counts with Soviet attack helicopters and fighters, the pilots of which reportedly were trained in Russia and Bien Hoa.

In the meantime, the colonization of Cambodia proceeds systematically, with a continuous and massive influx of Vietnamese immigrants into that hapless country, the conscription of Cambodians into forced labor camps, the forcible relocation of peasants into "development villages," and the progressive integration of the Cambodian economy into the Soviet Comecon network.

The Thai government is left with no choice other than to prepare to defend Thailand against ground incursions and artillery attacks, which occurred repeatedly in past Vietnamese military operations.

Indeed, the Thai government has to be on the alert for more ambitious Vietnamese action. Communist defectors have reported that as early as 1976, Hanoi had been nursing plans for the eventual invasion of Thailand.

All these are ominous signs, not only for Cambodia and Thailand, but also for China and the ASEAN countries.

If the "Vietnamization" of all Indochina is consummated, China would be in an untenable position. It would have unfriendly forces on its northern and southern borders.

China would be in a more vulnerable position if Thailand were to be overrun and conquered by Vietnam.

Yet, competent regional observers hold to the view that China's failure to exert substantial military pressure on Hanoi in the course of last year's Vietnamese offensive in Cambodia, may well have contributed to what is perceived as Vietnam's present posture of invincibility.

The member governments of

ASEAN cannot but view with concern the forward thrust of Vietnamese military adventurism. The Philippines, Indonesia, Singapore, Brunei, and Malaysia know only too well that, if Thailand falls, none of them could feel safe and secure.

The Philippines consistently has taken a leading position in the ASEAN drive in the United Nations for Vietnamese withdrawal from Cambodia. Last November, the UN general assembly, by a vote of 114 to 21, called on Vietnam to withdraw its troops from Cambodia.

The radical elements in the opposition, which desperately cling to the notion that no danger or harm can come from the communist powers as long as the Filipinos behave well, would be well advised to heed the object lesson provided by the critical situation of Thailand. Historically and traditionally, Thailand is a peace-loving country, but it happens to lie in the trajectory of communist expansionism and imperialism. The Philippines also lies in the path of empire.

It is becoming increasingly clear that the ASEAN countries must rid themselves of idle and fuzzy illusions about neutrality and loving kindness as guarantees of security if they are to survive and achieve their respective destinies in justice and freedom.

For states as well as individuals, vigilance is the price of liberty.

THAILAND

POLL SHOWS DISSATISFACTION OVER GOVERNMENT ECONOMIC POLICY

Bangkok MATICHON in Thai 3 Jan 86 p 3

[Unattributed report: "Joint MATICHON-Chulalongkon University Institute of Social Research Public Opinion Poll: 1986 Will Be Another Difficult Year"]

[Text] The Matichon Company Ltd and the Institute of Social Research, Chulalongkorn University, conducted a public opinion poll in Bangkok Metropolitan in order to find out what people with different occupational backgrounds think about last year's economic situation and what they think the situation will be like in 1986. They were also asked what New Year's "gift" they would like from the government.

Data was collected from 502 residents of Bangkok Metropolitan. The occupations of the respondents can be divided into six major categories: government officials, soldiers, and policemen; students and teachers; state enterprise or private sector personnel; merchants and businessmen; housewives, workers and laborers; and independent and service occupations. The various opinions expressed were as follows:

Discouraged By Last Year's Economy

The opinion poll on the 1985 economy began by asking respondents what they thought about their standard of living last year. Only 39.4 percent of the respondents said that they were satisfied; 60.6 percent expressed dissatisfaction. The only occupational group from which more than 50 percent of the respondents expressed satisfaction with their standard of living was students-teachers (53.3 percent). This group was followed by state enterprise and private sector personnel (45.3 percent) and government officials-soldiers-policemen (41.8 percent). These groups are affected less than the other groups by changes in the economic situation. The groups that were most dissatisfied with their standard of living in 1985 were the independent and service occupation group (77.9 percent), merchants-businessmen (70.1 percent) and housewives-workers-laborers (64.4 percent).

In order to obtain a clearer picture of this, we asked the respondents about their economic situation and their basic economic problems. Respondents were asked whether they had experienced any economic problems and, if so, what problems.

As for the first question, 50.2 percent said that they had experienced economic problems; 49.8 percent said that they had not experienced economic problems. Thus, the response was almost evenly divided. Those occupational groups from which more than 50 percent of the respondents reported having experienced economic problems were housewives-workers-laborers (62.7 percent), merchants-businessmen (62.2 percent), the independent and service occupation group (55.8 percent) and government officials-soldiers-policemen (52.7 percent).

As for the types of problems experienced, the most frequent response was lack of money. This was particularly true for the housewives, workers and laborers (52.5 percent) and the government officials, soldiers and policemen (50.5 percent). Another interesting type of problem concerned investment and business. But for the most part, this was a problem for just one group, the merchants and businessmen. In particular, almost all the businessmen sampled said that they had experienced such problems.

In those groups that did not experience economic problems, most said that they had just enough to live on (35.5 percent). Only 14.3 percent said that their economic situation was rather good and that they had enough money to help society. Comparing the various occupational groups, the group with the largest percentage reporting enough money to help society was students-teachers (27.6 percent).

Looking at the relationship between respondents feelings about their lives last year and their economic problems, 75.6 percent of the those who were satisfied with their lives said that they had not experienced any economic problems. However, most of these said that they had just enough to live on. Conversely, 66.3 percent of those who were dissatisfied with their lives last year said that they had experienced economic problems. Of these, 49.2 percent said that they did not have enough money to live on.

#### Solutions to the Economic Problems

In Bangkok, which is one of the largest cities in the world and which has a very fluid economic situation, 37.5 percent of the people are experiencing economic problems and do not have enough to live on, particularly toward the end of each month. As for how people solve their economic problems, the survey found that the most popular method is to borrow money from friends or relatives. This was followed, in order, by using welfare services from their places of work, pawning assets, borrowing money from a bank, borrowing from money lenders and using capital from non-formal sources such as share funds. Besides this, many people said that they had to use several methods simultaneously in order to solve their economic problems.

It was found that most of those who did not have enough to live on solved their economic problems by--in order of popularity--borrowing from friends or relatives, using welfare services from their place of work and pawning assets. On the other hand, most of those who experienced investment and business problems solved their problems by--in order--borrowing from a commercial bank, borrowing from friends or relatives and pawning assets.

## The Economic Problem Is the Important Problem Facing the Nation

All occupational groups agreed that the most important problem facing the country today is the domestic economic problem (the averages for the groups ranged from 64 to 80 percent with the overall average being 72.1 percent). The political problem was considered to be the second most important problem. Next in order of importance were lack of unity within the government, national security and international relations.

Actually, the economic problems that have arisen in Bangkok stem from the economic problems that have arisen in the country as a whole. Looking at the backgrounds of the residents of Bangkok, it can be seen that more than a million of the people who now live here came from the provinces. And more than half of these came to Bangkok in the hope of earning more money than they could earn in the rural areas.

## The People of Bangkok Are Dissatisfied With the Work of the Government

The survey showed that 52.6 percent of the respondents think that the activities of the government have failed to achieve results. Another 38.0 percent feel that this administration lacks the resolve to make decisions. Only 6.2 percent think that the government has achieved good results. The other 3.2 percent declined to express an opinion.

Broken down by occupational group, more than 50 percent of the students-teachers, state enterprise and private sector personnel and government officials-soldiers-policemen felt that the government had failed to achieve results. And the percentage in the other groups was above 45 percent.

## Prices of Consumer Goods Should Be Lowered

Because we asked about problems, we also had to ask about solutions. We asked respondents what measures and policies they thought the government should implement in order to solve the economic problems. The respondents thought that the most important thing was for the government to take action to lower the prices of consumer goods or at least prevent prices from rising too high. This is because high prices cause great trouble for the poor people in Bangkok. They don't earn enough to live on. This is why this is so important.

The respondents suggested a variety of measures and policies that the government should consider. These included, in order of importance:

Lower the prices of consumer goods (21.9 percent).

Promote industrial development through Thai investors (17.1 percent).

First resolve the conflicts within the cabinet (15.3 percent).

Develop agriculture for the rural people (15.1 percent).



Form a new cabinet of higher quality (12.6 percent).

Implement several measures simultaneously (8.6 percent).

Besides this, another 9.4 percent of the respondents said that the present government is incapable of solving the nation's economic problems. The groups that have the least faith in the present government are the independent and service occupation group and students-teachers.

As for the measures and policies suggested to the government, the government officials-soldiers-policemen group would like the government to give priority to developing agriculture for the rural people. The students-teachers would like the government to give priority to promoting industrial development through Thai investors. State enterprise and private sector personnel would like the government to resolve the conflicts within the cabinet. The other groups, that is, the housewives-workers-laborers and the independent and service occupation group, would like the government to give priority to controlling the cost of consumer goods. The merchants-businessmen want the government to take action to control the price of consumer goods and to promote industrial development through Thai investors.

#### The Ideal Government

The survey showed that the people of Bangkok Metropolitan have two ideas of what constitutes an ideal government. The majority of the respondents (57.0 percent) want a government that is sincere about working for the people. Others (26.5 percent) want a cabinet that can work well together. Besides this, some of the respondents said that they would "like the people to have the right to select the ministers or at least express opinions on who is suited to serve as minister. Because today, each time a cabinet is appointed, people run here and there and seek out friends in an effort to have themselves appointed to a ministerial position. And so how can we hope to have high-quality ministers?"

#### Expectations for 1986

When respondents were asked what they thought their life would be like in 1986, more than half (52.0 percent) said that they expected things to stay about the same. That is, they did not expect things either to improve or get worse. Another 24.3 percent said that they expect things to be worse than in 1985; 19.9 percent said that they expect things to improve. A small number, 3.8 percent, were unsure about what their lives would be like in 1986.

By occupational group, the majority in all occupational groups said that they expected things to remain about the same. The groups with the highest percentage who said that they expected things to grow worse were the merchants-businessmen and the independent and service occupation group. The groups with the highest percentage who said that they expected things to improve were the housewives-workers-laborers and the state enterprise and private sector personnel.

When considered based on the economic situation of the respondents, more than 60 percent of those who have not experienced economic problems said that they expect their situation to remain the same. As for those who have experienced economic problems, the number who said that they expect things to stay the same was approximately the same as the number who said that they expect things to grow worse. That is, 37.8 percent of those who said that they do not have enough to live on expect things to remain the same while another 34.0 percent expect things to grow worse. As for those who experienced investment and business problems, 42.2 percent said that things will probably remain the same and 40.6 percent expect things to grow worse.

As for why they expect things to remain the same or change, respondents provided the following interesting reasons:

(1) Respondents who expect their lives to remain unchanged:

(1.1) Even though incomes will rise, the cost of living will rise, too. Thus, their standard of living will remain the same.

(1.2) The country's economic situation does not look as if it is going to improve or change very much. There is little chance that the country's economy will change. In particular, there is little chance that it will improve.

(1.3) The government does not seem to have any policies that will help solve the country's economic problems. Even since this government took office, the country's economy has just grown worse. If the same people remain in office in 1986, nothing will change for the better. All they have done in the past is to collect more and more taxes from the people and devalue the baht. But these measures will not solve the problems.

(2) Respondents who expect their standard of living to go down:

(2.1) The economic situation, particularly investments, will grow worse as compared with 1985.

(2.2) While the economic situation will grow worse, the cost of living will rise. The cost of consumer goods and daily necessities such as diesel fuel will rise.

(2.3) Unless the government puts a stop to the conflicts between the government parties, the efficiency of the government and its ability to coordinate the work will continue to decline. How can the country's economy improve when people in the government play favorites and fight for profits and power? Actually, the good people don't dare come forward or do anything.

(2.4) If the problem of corruption in government circles remains unsolved, it will be impossible to satisfy the needs of the people. How can things improve for the people?

(3) Respondents who expect things to improve in 1986:

(3.1) Children have graduated from school. They will be able to find jobs and help support the family. This will help lighten the family expense burden and increase the family's income.

(3.2) There is the hope that the 1986 economy will be better than that of last year. If that is the case, their standard of living should improve, too.

(3.3) They have been able to repay all their debts. Thus, they expect their standard of living to improve in 1986.

(3.4) Even if the economy grows worse in 1986, if we economize and spend money wisely, there shouldn't be any problem in improving our standard of living.

The Matichon Company Ltd and the Institute of Social Research, Chulalongkorn University, sincerely hope that the results of this opinion poll help the government take a closer look at itself. We hope that the government has a valuable "New Year's gift" to help comfort the people so that the people continue to accept the present cabinet. Without mentioning what this "gift" is, we all know what the people want the most from this government.

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THAILAND

SITTHI SAWETSILA DISCUSSES POLITICAL ROLE, ECONOMIC PROBLEMS

Bangkok MATICHON in Thai 25 Jan 86 p 3

[Interview with Air Chief Marshal Sitthi Sawetsila, the deputy prime minister; date and place not specified]

[Text] [Question] What steps have been taken to improve the structure of the Social Action Party?

[Answer] Action is being taken now. One important objective is to expand the party branches in order to attract capable people who are willing to make sacrifices. We need such people to participate in building democracy. More good people will join the party if we have a good image. There shouldn't be any problem. It isn't necessary that they be wealthy. For example, when I ran for office, I spent only 150,000 baht for printing leaflets. People vote for well-known people. Money should not pose too great a problem. We have already expanded our party branches a lot and will continue to do so.

[Question] If an election is called ahead of schedule, will the SAP be ready?

[Answer] Preparations are now being made. There shouldn't be any problem. The important thing is to expand our party branches. This will enable us to contact the people and find out what the problems are so that matters can be submitted to the party in Bangkok. And I intend to travel in the provinces more frequently. I want to meet the people, see what living conditions are like and learn about the economic problems so that I can help solve the problems.

[Question] Some people want to elect a permanent party leader. What do you think about this?

[Answer] I think that serving as acting party leader is good. People will have a chance to see if I can do a good job. Party regulations state that an election must be held every 2 years in June. At that time, we will elect a party leader and an executive committee.

[Question] Has M.R.W. Khukrit Pramot given you any advice?

[Answer] He is the person who founded the party. He is kept informed of things, particularly about important matters such as the revision of the tax structure. He is pleased by many of the changes that have been made. I consider him to be a part of the party. We must all help build a foundation for the benefit of the country. My intention is to serve the nation by holding to what is right and just. If something is wrong, it must be changed. The emphasis must be on the nation. I took this position in the hope of being able to help the prime minister and the government solve, or at least reduce, the country's problems, including the economic problems. That is my only goal. That is enough.

[Question] Some party members have submitted a petition to change the way that secretaries are chosen for ministers. What is your view on this?

[Answer] We will probably discuss this before the party meeting on 31 January. But if the secretaries do not know the ministers, it will be difficult for them to work together. It is important for a minister and his secretary to know each other. Making a change is a minor matter. But it is up to the prime minister to decide. We can discuss this. I don't want to do anything to stir up trouble. But I think that the ministers should be allowed to choose their secretaries. We are trying to promote greater solidarity and unity. As for the problems within the party, I can say that the problems have been solved. Last night, I attended the wedding of the daughter of Mr Chia Kokphon. Many party members were there. There are no problems. Mr Buntheng Thongsawat has returned to Bangkok. I have met with Mr Kraison Krairuk. I have talked with MPs from other regions. There aren't any problems. Things have now settled down considerably. My becoming acting party leader did not cause a split. I have tried to foster unity and improve the party's image. Results in future elections should be better.

[Question] What special tasks has the prime minister entrusted to you?

[Answer] Before I accepted this position, I held a meeting with ministers from all the parties. Because the previous time, there were problems concerning taxes. I told them why it was necessary to make these decisions. In the face of these major problems, we must all work together as a team. The parties in the coalition government must work together. Unless the parties cooperate, we won't be able to solve the problems. It's a waste of time to argue over various interests. I told the ministers that we should be competing to see who can do the best job. We should do what is right so that the people place greater trust in us. The image of the parties would improve. Larger numbers of good people would support the elections and join the parties. That would be better than arguing with each other. I told them that it would be better to resolve the conflicts. Wherever I am, I try to foster solidarity and give people a chance to work together. I try to give everyone a chance to express opinions. No one is prevented from speaking out, regardless of seniority.

There are now many problems, including the rice and sugar problems, the Farm Bill matter and unemployment, that must be solved in order to benefit the country and foster national development. We can't rely on other countries.

Because today, countries everywhere, both in Asia and Europe, are experiencing problems. We must find out what the problems are. The government should reach an understanding with the people. It should carry on public relations activities so that they understand what the problems are and what is being done to solve the problems. Today, the public and private sectors are cooperating in order to solve the problems, particularly the economic problems. I want to listen to what those in the private sector have to say about the problems. Because there are many brilliant merchants, businessmen and bankers. If there is a problem, they should speak out so that we can work together to solve the problem.

I am studying the agricultural crop problem. For example, there will be a new policy on rice. We are trying to solve the problems. I think that we will be successful. An effort is being made to step up exports. China and Malaysia have placed orders. The deputy minister of commerce has visited a number of countries in order to promote the sale of rice. The private sector is cooperating. We have told the Rice Exporters' Association that we ask only one thing--please don't cut prices when selling rice abroad. As for the Farm Bill, people shouldn't become overly worried just yet. The United States has not yet looked at all the details. The minister of industry will take action to ensure that this does not have that big an impact. From now until April, we will try to export as much rice as possible. But there should not be a stampede. Because whenever there is a stampede, the price of rice always drops. The government has done away with all the export barriers.

[Question] Does this seem like an auspicious occasion?

[Answer] My secretary handles everything. I have been here since this morning. Very shortly, I will leave to attend a meeting at the ministry. As for the duties that the prime minister has entrusted to me, when Mr Buntheng Thongsawat was the deputy prime minister, he stressed keeping an eye on the ministries in the work line. There is the Ministry of Foreign Affairs, the Ministry of Commerce, the Office of State Universities and certain units of the Ministry of Interior. Mr Michai Ruchuphan, the minister attached to the Office of the Prime Minister, told me that the duties have not changed. I have informed the prime minister. There shouldn't be any problem. Today, I have full responsibility for the Ministry of Foreign Affairs. Previously, matters had to be submitted to the prime minister. But if there is any problem, I inform the prime minister directly. I think that the prime minister feels somewhat relieved. Whenever he asks me to help him, I do so. That has always been my intention.

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THAILAND

SOURCES REPORT ON POLITICAL, MILITARY MANEUVERS OVER SAP

Bangkok MATICHON SUT SAPDA in Thai 19 Jan 86 p 9

[Unattributed report: "Reshuffle the Cabinet, a Transition for the Government and a Major Clash in 1986"]

[Text] "Even if there is a reshuffle, all the ministers who are part of Prem's quota will stay in place." A man who is close to Gen Prem Tinsulanon is very confident of this. This is a signal that there will definitely not be any major reshuffle of the cabinet.

"The Democrat Party is indifferent about the reshuffle," said a member of the Democrat Party's executive committee. "We don't have any problems."

The Social Action Party has taken a very tough position in calling for a cabinet reshuffle. Initially, the party issued many statements though Mr Amnuai Yotsuk to the effect that the party had not received good cooperation from other ministers.

"Something worth thinking about is that it has not been just Mr Sommai Huntrakun, the minister of finance, who has refused to cooperate," said a news source in the SAP. "Even members of the SAP have had disputes with fellow party members."

A report from the SAP stated that Mr Narong Wongwan, the minister of agriculture and cooperatives, is one of the targets who has been criticized for not cooperating with Mr Koson Krairuk, the minister of commerce, particularly on the rice and farmer policy. A news source in the SAP told MATICHON that what made M.R.W. Khukrit Pramot furious was that the rice price guarantee policy, with the price set at 3,000 baht per kwian [1 kwian equals 2,000 liters], was not the policy of Mr Koson Krairuk alone. This policy had been approved by the economic cabinet and the full cabinet. But when it was implemented, other members of the government did not cooperate fully.

"Achan Khukrit was furious over the fact that Koson had to bear full responsibility for this," said the SAP news source.

However, it is believed that M.R.W. Khukrit Pramot has psychological ties to the Prem government and will continue to support this government. A report

from Khukrit's residence stated that there have been squabbles between M.R.W. Khukrit Pramot and Gen Prem Tinsulanon several times in the past. The problems were resolved when Gen Prem telephoned Mr Khukrit to seek a reconciliation and ask for his understanding. "He has done this four times," said the news source. This means that this will be the fifth time that Gen Prem Tinsulanon asks M.R.W. Khukrit to show understanding.

A political movement that cannot be overlooked is that during this political crisis, M.R.W. Khukrit Pramot resigned as leader of the SAP. The person who immediately went to see him was Gen Chawalit Yongchaiyut, the army chief of staff. He took a basket of flowers with him as a New Year's gift.

The news source is certain that Gen Chawalit Yongchaiyut did not make that visit in his capacity as army chief of staff or because they are personal friends. Rather, Gen Chawalit went because of a "signal" from his boss, Gen Prem. This is the method that Gen Prem always uses to relieve political tension.

Thus, it came as no surprise when the SAP began using a milder tone. That is, it stopped calling for a total reshuffle and asked only that there be a reshuffle of the 15 SAP ministers. "Mr Krairuk is very afraid of losing his position as minister of commerce," said the news source in the SAP. "But Mr Narong Wongwan will definitely keep his position."

A report from the Government House confirmed that relations between Gen Prem Tinsulanon and Mr Narong Wongwan are very good. Mr Narong Wongwan leans more toward Gen Prem than he does toward the SAP. "The relationship between Mr Narong and Mr Prem is not one of 'father and son' as in the case with certain members of the Democrat Party but rather one of mutual respect," said a news source close to Gen Prem.

From this it can be seen that the cabinet reshuffle will affect only members of the SAP and not members of other parties unless the other parties want to make changes in the ministries that are part of their quota in order to appoint people who are more suitable and who will work more actively.

However, this cabinet reshuffle is not a sign of any new hope as some may think. On the contrary, this new cabinet will face a serious crisis and have to deal with even more disputes. A news source in the Government House spoke about an analysis of the situation made by a team of political scholars working for a minister in the Office of the Prime Minister who is very close to Gen Prem. In 1986, the conflict between the government coalition parties will grow worse because of the fact that there is only 1 year left before the election. Each party will have to begin preparing for the general election. Thus, it is very likely that the parties in the government coalition will try to "conceal" their mistakes and take credit for as many things as they can.

At the same time, the opposition parties, which feel that they can win more votes as opposition parties than as members of the government, will begin launching stronger attacks on the government and the parties in the government coalition. In particular, they will attack the decline in the country's economic situation.



"What is worrisome is what the military will do," said a scholar at the Government House. "From what we know, officers have begun taking action in order to secure extensions for certain officers." Not only will this cause disputes between military officers and the government, but it will lead to conflicts with certain political parties in the government.

"Don't forget that the 9 September case is not over yet," said the news source. "The questioning of witnesses will probe even deeper."

Thus, Gen Prem will reshuffle his cabinet in order to confront the problems of 1986 and to help the government survive until the next general election, which is something that he wants very much.

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THAILAND

BANGKOK BANK HEAD, OTHERS PRESCRIBE ECONOMIC POLICY CHANGES

Bangkok MATICHON in Thai 25 Jan 86 pp 1, 2

[Excerpt] At the Government House at 0900 hours on 24 January, a three-party seminar was held on the labor problem. Approximately 300 people attended the seminar. Gen Prachuap Suntharangkun, the deputy prime minister, opened the meeting by saying that this was a very timely moment to hold the meeting. He said that the recommendations made at the seminar would be considered carefully. The government will take action to benefit all groups as much as possible.

Following that, there was a debate on the topic the "Present Economic Situation Is Affecting Employment." Those who participated in the debate included Mr Amnuai Wirawan, the managing director of Bangkok Bank, Mr Khosit Panbiamrat, the assistant secretary-general of the National Economic and Social Development Board, and Mr Suphachai Phanitchaphak, the director of the Audit and Financial Institution Department, Bank of Thailand.

Mr Amnuai said that the recession and economic changes during the past 2 years have resulted in the government's deficit reaching 50 billion baht this year, the largest deficit ever. This is because government tax revenues have not hit the target. In the private sector, many businesses have suffered losses. Because of this, many businesses have gone bankrupt and many others are on the edge of bankruptcy. Only a few well-run businesses have been able to weather this economic storm successfully. Factories have encountered serious problems. Many workers have been laid off. Many people entering the labor market for the first time are in dire straits. Recently, the Public Welfare Department hired only 80 C1 and C2 officials. More than 40,000 people applied for these positions. These are very alarming figures.

"High school graduates are working as masseuses. Vocational school graduates are working in cocktail lounges. University graduates are working as bus baggage handlers. This is very alarming and could become even more serious unless action is taken now to solve the problem," said Mr Amnuai. He said that exports are closely tied to the standard of living. Thus, to maintain and improve the standard of living here, we must compete with other countries. And to compete with other countries, we have to develop the people and make them more efficient. Competitors of Thailand in this region include Malaysia, Singapore and the Philippines. Hong Kong and Korea both have greater efficiency than Thailand. Besides these, there are now new competitors such as China, which has a population of 1 billion people and a cheap labor force, and

India, which has a population of 700-800 million people. These countries are taking steps to enter the world market. They produce agricultural goods just like Thailand. This is very worrisome, because they may compete for our markets. There will be problems with the public and private sectors. And this will affect domestic investments.

Mr Amnuai said that the government will suffer a shortage of capital. Government revenues are derived from taxes, which depend on a healthy economy. During the past 10-20 years, the government has spent huge sums of money on developing sectors that do not yield any returns. This was a mistake on the part of the administrators who made this decision. If employers become discouraged by the economic problems and reduce investments, the situation will grow even worse. Thus, employers must make investment choices and increase efficiency in order to benefit in the long term. They must select suitable technology and not allow this to affect employment.

Mr Amnuai said that it will be easier to solve these problems if there is a cutback in government spending. The government must try to put a stop to corruption. And if people stop cheating on their taxes, revenues will increase at least 50 billion baht. If the Thai people stop buying luxuries, this will greatly reduce the trade deficit. But so far, few results have been achieved. To achieve results, the three groups must be made to understand the need to build society and solve the problems together.

Mr Khosit said that the Sixth National Economic and Social Development Plan recognizes the economic problems that have arisen. These problems have existed for a long time. They stem from the world economic situation. This situation is expected to last for another 2 years. The internal limitations are monetary in nature. The government has run high deficits for many consecutive years now. We can no longer pour money into development projects.

Mr Suphachai said that today's economic problems stem from our failure to hit the 1985 targets. These were very important targets. For example, we did not hit the export target. The tax collection and savings targets were not hit either. To solve the economic problems, we must first determine whether these are structural or cyclical problems. If growth has reached the limits, there must be a decline. In solving cyclical economic problems, it does no good to pour in money. An example is the attempt to push agricultural prices higher. This might improve things for a few months, but then the situation will grow worse again.

In an interview after the debate, Mr Amnuai said that OPEC's decision to lower oil prices should enable the country to save much money. At the same time, this could have an adverse affect on Thai laborers abroad. Because when oil prices decline, construction in those countries declines, too. However, about 2 years ago, the financial institutions and banks discussed ways to help returning laborers. They have set up funds to carry on small projects in the rural areas. These people gained much experience from working abroad. The government should find a way to help them.

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THAILAND

MAGSAYSAY WINNER ON SOCIAL CRISIS, REGIME LOSS OF SUPPORT

Bangkok MATICHON SUT SAPDA in Thai 26 Jan 86 pp 16, 17

[Interview with Dr Prawet Wasi, a professor with the Faculty of Medicine, Sirirat Hospital: "When All Hope Is Gone, There Will Be a Great Upheaval"; date and place not specified]

[Excerpts] [Question] Representatives from various occupational groups have gone to pay obeisance to Phraratchananthamuni in order to discuss matters because society and the economy have deteriorated so much that people see no way out. Would you discuss this, and what are the reasons for your views?

[Answer] As for the social and economic problems that the people and private sectors are experiencing, scholars did a study and reported the results at a meeting at Phathaya on 13-14 December. The forecast for the sale of our products is rather dismal. Rice prices are very low. The price of tin has dropped 40 percent. The same is true for cassava and textiles. And now we have been hit by the Farm Bill. Thus, the future looks very dark if we continue to do things the same way as in the past.

Looking at commerce and trade, many stores and shops have had to go out of business, including small shops. Even shops that sell "khao man kai" [a chicken and rice dish] have had to close because of the large amount of tax levied by the Revenue Department. Revenue Department officials have gone to each shop to determine how much tax to collect. This shows that the government is in such dire need of money that it has had to squeeze small shops to the point where they have had to go out of business. Scholars have reported that the situation is very bad. I can tell you which industries will fail, including those that sell goods here and abroad. Customers are buying less. The number of poor people is increasing and so sales are declining. Besides this, there is much international competition. And we are facing increased protectionism. If our sales increase, they take measures to protect themselves. The great powers are harassing us, and this is having a great effect on Thailand.

The bankers are complaining about all the difficulties. In the past, they said that only the farmers and poor people were experiencing difficulties. But now, the merchants and financiers are experiencing difficulties too. People everywhere are having problems. This shows that development has taken the

wrong path. Because after carrying on activities, we are all experiencing problems. Even though the world economy is not good, if we continue to put all the blame on that, we will not take any action to solve the problems. I don't think that is correct.

I think that we can solve the problems regardless of what the world situation is like. We produce sufficient food and do not have to go hungry. These things have caused the people to "abandon all hope" and feel that things will never improve. They feel that things will just continue to deteriorate. People have begun to lose faith in the government. They want a change regardless of how the change is effected.

Politically, things have been like this for several years now. Even though a few ministers have been replaced, there is no hope of making other changes. It is very dangerous when people lose faith like this because they want a change regardless of how it is effected.

Those who want to use violence and who want to seize political power using force constantly think about this. And there have been rumors that they will take action. There are those who are thinking about using force to effect a change. And the tendency to effect a political change is becoming stronger. During the time of Field Marshal Sarit Thanarat and Field Marshal Thanom Kittikhachon, it was easy to do that without spilling blood. But after that, the violence increased. For example, during the events of 1 April, the perpetrators used the largest military force ever used. But they failed because the government had the backing of the king. That was when people began involving the monarchy in the power struggles. The coup attempt on 9 September was suppressed in just 1 day for similar reasons.

What those who would like to effect political change have learned from these things is what should and should not be done in order to achieve results. These things have increased the possibility of there being a violent coup d'etat. Thus, the violence that has occurred, including the use of armed forces, could result in great loss of life and affect our institutions. This could lead to a national crisis and a major upheaval, and it could prove difficult to put a stop to the violence.

[Question] Will the present political turmoil bring things to a head and lead to changes more quickly? And if that happens, will that lead to an upheaval?

[Answer] I can't guess when the change will come. But as I said above, we are now like a chessboard that is filled with pieces. No one can move. There are rumors that certain political parties whose interests are in danger are trying to rely on groups that want to use violence to bring about administrative changes. If that happens, the country will experience a great upheaval.

[Question] What can be done to avoid that? Is it too late to call on people to solve the problems in a democratic and righteous manner, which would take time to do? Those who control the forces are trying to use this opportunity to change society.

[Answer] Actually, it would not take too long, because the government may feel that it is an elected government even though the prime minister was not elected. But he has to follow the rules just like those who were elected. Thus, there is a certain degree of legitimacy. The government should teach the people, because the government does not want anyone to employ violence against the government. The government is in a position to take action, including providing information to people throughout the country.

[Question] In reality, those who control the forces frequently interfere with the government. To what degree is the government able to carry out its duties?

[Answer] The government can carry out its duties. Even though there is interference, it can put out favorable information. And once the information is released, clever people can carry out the tasks. Officials may not be able to do this. And so you have to rely on clever people and have them help decide what information to give the people. If the people are better informed, this will help improve the situation.

[Question] Today, the people are losing faith in the government. Thus, they may not believe the information given to them by the government and may react in ways that are opposite what the government wants. Could this reduce the effectiveness of providing information?

[Answer] That's true. Thus, the government should look for new ideas to solve the country's problems. If it continues to use the same ideas and does not change its approach, it won't be able to solve the problems. I feel that the old ideas have failed and that we should, therefore, look for new ways to solve the country's problems. There must be ways to solve the problems if people would only look for them. Scholars are trying to find new ways.

[Question] Will such reports further weaken the morale of the people?

[Answer] As for releasing such reports.... The people who have lost all hope may support the use of violence. We are telling them not to support the use of violence because they could easily fall into a trap. That would not solve the country's problems and would even make the problems worse. The people don't have any information. They have lost all hope because of the difficulties that they are experiencing, not because of our providing them with information.

I favor giving them information so that they will know that there are people who want to stir up trouble by using the people's loss of hope as a tool. From reports and the situation in general and from history, we know that if the pressure becomes too great, violence could break out.

Thailand must improve and change many things, including our political, economic and social structure and the officials who hold power. These are the things that have led to an impasse. These are the obstacles. These things must be changed. Power must be distributed to the people. Otherwise, democracy will not survive and it will be difficult to develop.

[Question] How hopeful are you that society can avoid violence and escape a "great upheaval?"

[Answer] I could speak at length on that. I have very strong feelings about this. I could talk about what has to be done to improve life and society. I think that this has to do with our system. Our system stifles intelligence. If people use their intelligence and understand things, they will know what to do and what changes to make in order to improve society.

If you look at our educational system, you will see that it stifles intelligence. I think that the strength of the country depends in large measure on the intelligence of the people in the country. It's much more important to strengthen the people in the country than to have a squadron of F-16 aircraft.

It depends on how wise we are and on whether we have the wisdom to solve the problems. Goodness based on wisdom is superior to goodness based on faith, which is easily shaken. Because if the situation changes, there is nothing on which to rely.

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THAILAND

OPINION MAKERS SUPPORT FORMATION OF MILITARY PARTY

Columnist Supports Concept

Bangkok NAE0 NA in Thai 28 Jan 86 p 16

[Nui Bangkhunthian column: "There Is Nothing Wrong With Having a Military Party"]

[Text] Mr Phichai Rattakun, the leader of the Democrat Party, has told party members to beware of Maj Gen Chamlong Simuang, who may set a trap that could damage the Democrat Party. He also told them to keep a close watch on the formation of a military party. Maj Gen Chamlong might be appointed secretary-general of the party.

These statements by Mr Phichai are not a minor matter. He made these remarks at a seminar attended by members of the Bangkok Metropolitan Council at the Royal Hotel. This was an open meeting. Thus, his remarks can be considered to be party policy. And that policy is: Be careful of the military party!

That same day, Gen Mana Rattanakoset stated that he really was thinking about establishing a political party, but not a military party. The party will be composed of people from all occupations. The emphasis will be on having good people such as Maj Gen Chamlong.

Gen Mana's idea is something that should be supported. Even though the Democrat Party and other parties may feel that the military is interfering in politics contrary to democratic principles, if retired soldiers want to establish a party and wage a struggle according to the rules, they should be allowed to do that so that democracy grows in the right way. That is better than having them play politics while still in the military.

During the past 53 years, democracy has not advanced because soldiers have frequently disregarded the rules in playing politics. The political parties have not had a chance to develop continuously. Also, the people attach little importance to the parliamentary system and do not trust civilian governments. The popular feeling is that civilians are undisciplined and corrupt. The establishment of a military party will put an end to the civilian politicians' negative view of the soldiers and to the villagers' idea that civilian politicians are "hungry tigers."



The retired soldiers who enter politics will bring with them a wealth of professional experience and knowledge that they can draw on in serving the nation. I don't see any harm in that. If it is felt that soldiers are still playing unfairly and involving their colleagues who are still in uniform, it is the duty of professional politicians from all parties to help ensure that the soldiers follow the rules. It will be easier to keep the soldiers in line if there is a military party.

What the professional politicians should give attention to is the quality of the party to which they belong. They should think about how much hope their party has given to the people and about whether the people can really rely on their party. If the parties are still just "interest groups, it will be a long time before the people trust the parliamentary system and civilian government. Besides having clear policies that the people can understand and having efficient administrative regulations, it is the "party members" who determine the success of the party. The "party members" are very important.

Mr Phichai Rattakun was correct when he told members of the Bangkok Metropolitan Council to bring in 5,000 new party members from each district. For all 24 districts, that would mean 120,000 sure votes. Bringing in new party members is the best way to show the party's ability. If the parties can gain the trust of the people, success will be within reach. Politicians who are clever with words, who are good actors and who are skilled at fooling the people will fade away. The ones left will be the ones who carry out their promises and monitor things constantly.

If the people trust the MPs and have confidence in the party system and if things are inspected at definite times, democracy will grow rapidly, and what is right and just will flower and bloom. The dark powers and hidden powers that are holding us back and keeping us in darkness will all disappear.

#### 'Old Soldier' Views Idea, Democrat Opposition

Bangkok SIAM RAT in Thai 28 Jan 86 p 5

[Fact and Fancy column by "Old Soldier": "A Military Party Will Definitely Be Established"]

[Text] After I saw the results of the election for seats on the Bangkok Municipal Council and Bangkok district councils, I wrote in this column that the new governor of Bangkok Metropolitan, that is, the person elected by the people of Bangkok Metropolitan, will find himself in a very difficult situation. The reason is that the new governor, Maj Gen Chamlong Simuang, or the "Great Chamlong" as he is popularly called, is not backed by a party, just followers. And only a few of these followers were elected to the Municipal Council. The rest are all members of various political parties. The largest number are members of the Democrat Party followed by the Thai Citizen Party. The Bangkok Municipal Council is responsible for supervising the administrative actions of the governor of Bangkok Metropolitan.

Several people ran for the position of governor of Bangkok Metropolitan. But there were only two real contenders. That is, the race was really between Maj Gen Chamlong Simuang, who ran as an independent, and Mr Chana Rungsaeng, who is a member of the Democrat Party. Although the Democrat candidate for governor was defeated, the Democrat Party won a majority of the seats on the Municipal Council.

Thus, there is a problem. If the governor wants to do something but the Democrat Party disagrees, the governor, that is, the Great Chamlong, won't be able to do anything. Conversely, if Municipal Council members who belong to the Democrat Party propose something, if the governor does not agree with the proposal, they won't be able to do anything. This conflict will not go away, and at some point in time there will be an explosion.

From what I have observed since the gubernatorial and municipal council elections, there has been constant bickering. Again, it is only a matter of time before this bickering develops into a serious quarrel. Today, the nature of this quarrel is becoming clearer. That is, the shape of this dispute could be seen very clearly at the meeting held by Democrat Municipal Council members at the Royal Hotel on 26 January 1986.

This meeting revealed people's attitudes about resolving the conflict between the Democrat members of the Municipal Council and the governor of Bangkok Metropolitan. The leader of the Democrat Party, Mr Phichai Rattakun, who chaired the meeting, told those present that the governor, Maj Gen Chamlong, is implementing a political plan with the intention of setting a political trap for the Democrat members of the Municipal Council.

Mr Phichai revealed that the governor plans to establish a new political party in preparation for the 1987 general election. This new party will be a military party. The Great Chamlong will play a leading role in forming this (military) party. He will serve as the secretary-general of the party and will play an important role in the 1987 general election. As for why Mr Phichai discussed this at the meeting for Democrat members of the Municipal Council, I don't know what deep significance this may have. But it is my feeling that the leader of the Democrat Party was trying to drive a wedge between the governor of Bangkok Metropolitan and the Democrat members of the Municipal Council. He was trying to create a misunderstanding between them and cause a split.

Mr Phichai Rattakun warned the Democrat members of the Municipal Council not to let themselves be deceived by the Maj Gen Chamlong. He told them to be on their guard and not let the governor induce them to leave the Democrat Party for the new party that he is establishing, which is a military party.

This is the important problem of administration in Bangkok Metropolitan. It is a problem that Maj Gen Chamlong will have to contend with in the future. Actually, people have known for a long time that (retired) soldiers plan to establish a political party. Mr Phichai was not the one to reveal this. Besides knowing that (retired) soldiers plan to form a party, I also know that they have readied people and money. At present, the military faction is trying to win support from people nationwide as reserve capital. They have collected a large sum of money to pay expenses once the party has been established.

The military has not planned this in secret. They have carried on activities openly. The only thing is that the time has not yet come to announce this officially. They will probably announce this officially around 1987, which is when the next general election is scheduled. Many senior military officers will retire that year. Some of those officers will still be very vigorous and so they will leave the battlefield to enter the political arena and run for parliament in order to induce all soldiers, whether retired or still on active duty, to become democratic soldiers. The leader of the Democrat Party feels that that is when the Great Chamlong will reveal himself as a politician and begin to play a role in the political party established by the soldiers.

The Democrat Party seems to be apprehensive about this even though it is an old party. It has seen the power of the military before and so it is very alarmed. It has been alarmed before.

As for (retired) soldiers establishing a political party, I don't see anything strange about this or think that this is anything to worry about. I think that this will be good because the soldiers will be true democratic soldiers. If soldiers want power, if they want to be prime minister or serve as ministers, they can carry on political activities as members of this political party. That is, they can try to gain the attention of the people and win their votes during the election. If the military party wins more seats than the other political parties, it can form a government. There is no longer any need to use another method. There is a better way, as the case (rebellion) now in court shows.

If the soldiers form a political party, senior retired soldiers such as Gen Prem Tinsulanon, who is now the prime minister--who has to be one of the anomalies of the democratic world because he is not a member of any political party--will have a party to join because it is a military party. Gen Prem may even become the leader of this (military) party.

Gen Athit Kamlangek is another such person. He will retire in September this year (after a 1-year extension). He might enjoy becoming a member of a political party established by fellow soldiers. He, too, has a chance of becoming party leader. Or he might serve as deputy party leader (if Gen Prem is party leader).

As for (retired) soldiers forming a political party, don't worry. I am positive that they will establish a party. At a time when our country is in such a situation, do you want the retired soldiers to putter about planting flowers? That would not be fitting for democratic soldiers.

#### Labor Leader's Support

Bangkok SIAM RAT in Thai 29 Jan 86 pp 1, 12

[Excerpt] Mr Phaisan Thawatchainan, the president of the Employees' Council of the Labor Federation of Thailand, told SIAM RAT that he is in favor of soldiers establishing a political party. Democratic people should give retired soldiers or soldiers who have resigned from the military a chance to

form a political party. Other people will probably join the party, too. The people should be the ones to decide.

Mr Phaisan also said that what Mr Phichai Rattakun, the leader of the Democrat Party, said was really of little consequence and he said that within the "family." However, whenever the leader of a political party says something like that, it becomes a matter of consequence. Mr Phichai probably never imagined that this would become a major issue.

However, Mr Phaisan said that there is no need to dissolve parliament to solve this problem. People should wait for a more serious conflict to arise before taking that step. Because if things are done too hastily, both sides could stumble.

#### Editorial: Stop Criticizing Military

Bangkok SIAM RAT in Thai 29 Jan 86 p 3

[Editorial: "Democracy in Bangkok Metropolitan"]

[Excerpts] Today, the majority of the members of the Bangkok Municipal Council belong to the Democrat Party. On the other hand, the governor of Bangkok Metropolitan is the leader of an independent group and does not belong to any party. This power balance in Bangkok Metropolitan is a very interesting point in a basic democratic system. This arose as a result of the choices made by the people in Bangkok and not from appointments as in the past.

Matters have reached the point where it seems that a conflict has arisen. Members of the Municipal Council have said, in effect, that the governor of Bangkok Metropolitan, Maj Gen Chamlong Simuang, is incapable of performing his duties. Thus, a conflict has arisen between Maj Gen Chamlong and the Democrat members of the Municipal Council, who hold the majority of the seats on the council. And now the leader of the Democrat Party has leveled criticisms. Thus, the governor seems to have a "problem." It looks as if things will become very exciting.

In a democracy, it is not uncommon to have differences of opinion. Rather, it is essential to have arguments. These differences of opinion force people to be more careful in carrying out various things. Whenever people agree on everything and applaud each other all the time, things always "go to the dogs." We have seen examples of that.

Local politics is somewhat different from national politics. Will those elected by the local people remember that they once mixed with the people? Will they remember how they begged the people to vote for them? Or will they just show off their power as politicians?

We don't like the way that local politicians act. They just like to stir up trouble. This is no longer the time to be using a policy of suppressing military dictators. The time for criticizing the military is past. Our country is facing serious economic problems, and there is widespread poverty. We should be talking to each other.

Editorial Criticizes Democrats

Bangkok MATICHON in Thai 29 Jan 86 p 6

[Editorial: "The Terrible Dream of the Democrats"]

[Excerpts] Senior people in the Democrat Party have expressed apprehension about the so-called "military party." Even though they are rather panicky, it is not difficult to understand why they feel like this, and the source of their fear is obvious. To paraphrase Gen Chawalit Yongchaiyut, the Democrat Party is having one of its old nightmares about the military even though a large number of soldiers have always played a role in this party.

At the same time, because the powerful soldiers in the past usually tended to be representatives of the dictators and governed by suppressing the basic rights and freedoms of the people, the prominent role of the Democrat Party was to stand on the side of the people and struggle for democracy. Thus, this party and some senior members of the party are used to campaigning like this even though the political activities of the military have changed in recent times.

As for saying that the military has changed, this is evident from the fact that soldiers such as Gen Han Linanon, Lt Gen Withoon Yasawat and Maj Gen Chamlong Simuang have entered politics. These soldiers have taken off their uniforms and given up their military positions in order to wage a political struggle just like politicians in general. Even a person such as Gen Mana Rattanakoset has expressed the intention of forming a party and entering the political arena. Actually, this is something that should be welcomed and supported. It reflects the great change in the political quality of the soldiers. Thus, instead of winning support for the party, these activities of the Democrat Party are turning people against the party.

From this, it can be seen that the weak point in the thinking of the Democrat Party is that it lumps all soldiers together. That is, it is making sweeping criticisms. However, the fears of the Democrat Party are not totally groundless. Because among the powerful soldiers, there definitely are people who are very ambitious and who hope to gain power through non-democratic means. Soldiers on active duty have staged coups in the past. Thus, the conclusion of the Democrat Party can be considered to be a political warning. And even though the party is overreacting, its warning should not be ignored.

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THAILAND

FURTHER REPORT ON CUSTOMS CRACKDOWN ON CAPITAL FLIGHT

Bangkok MATICHON in Thai 12 Jan 86 pp 1, 16

[Unattributed report: "Shops and Businesses in Songkhla Smuggle Currency Out of the Country"]

[Text] The director-general of the Customs Department has revealed that shops and businesses in Songkhla are smuggling currency out of the country. People pay in baht and receive a check that can be cashed abroad. The fee for this service is 50 satang [1 satang equals 0.01 baht] per dollar. This has been going on for a long time but will decline this year.

Mr Kraisi Chatikawanit, the director-general of the Customs Department, said that the Customs Department has decided to have officials search certain shops and businesses in Songkhla Province. It has been learned that several businesses are involved in smuggling currency out of the country. Also, some businesses are not bringing the money earned from exports back into the country, which is very bad for the economy in general and for the country's financial system.

The director-general of the Customs Department said that the identities of the currency smugglers are well known in trade circles. Officials know their identities, too. But so far, officials have been unable to obtain enough evidence to arrest them. Thus, it was decided to have officials examine the business records of suspect businesses. Evidence has been found indicating that payments have been made abroad. This is done by keeping the money abroad instead of remitting it to Thailand. Because of this, Thailand has been losing huge sums of foreign currency for many years now.

The director-general of the Customs Department said that those who want to smuggle currency out of the country contact one of these businesses. They pay the business in baht, and the business gives them a check for the money, which they can cash abroad. The businesses charge a fee of 50 satang per dollar for this service.

"Currency smuggling has been going on for a long time. Thus, it will not be easy to suppress this quickly. But I think that the amounts involved will decline greatly by the end of the year."

As for the southern Joint Public-Private Committee for Solving the Economic Problems informing the prime minister that private businesses have complained that these searches are creating problems for them, the director-general of the Customs Department said that he is prepared to inform the prime minister about the searches and to show him the evidence that has been seized during the searches.

THAILAND

COUP DEFENSE LAWYERS: RTAF CHIEF TESTIMONY HELPS

Bangkok MATICHON in Thai 14 Jan 86 pp 1, 16

[Unattributed report: Seven Defense Lawyers in the 9 September Case Will Cross-examine Praphan"]

[Text] Seven defense lawyers in the 9 September case are preparing to cross-examine Praphan Thupatemi on 15 January. The defendants felt much better after hearing the testimony given by the RTAF CINC.

In his capacity as the defense lawyer for Air Chief Marshal Arun Phromthep, one of the defendants in the 9 September case, Mr Khamnuan Chaloptham, the president of the Lawyers Association of Thailand, talked with MATICHON on 13 January about the progress made in this case. He said that the testimony given by Air Chief Marshal Praphan Thupatemi, the RTAF CINC, on 8 and 10 January had helped greatly, because Air Chief Marshal Praphan's testimony was based on what he saw and experienced. The defense lawyers have additional facts that will be revealed when the RTAF CINC is cross-examined on 15 January.

Reporters asked whether defense lawyers were upset by any of the testimony given by Air Chief Marshal Praphan. Mr Khamnuan said that he could not answer that because witnesses are now being cross-examined. However, the testimony of the RTAF CINC has relieved the defense team much more than expected.

Reporters asked what preparations defense lawyers have made for cross-examining Air Chief Marshal Praphan. Mr Khamnuan said that the defense team has held meetings and planned a cross-examination strategy. The defense lawyers will cross-examine only those who have been involved. The lawyers who will cross-examine the RTAF CINC include Mr Pricha Kosaiyakanon, the lawyer representing Gen Soem Na Nakhon, defendant No 1; Mr Prasom Sukkon, the lawyer representing Gen Kriangsak Chamanan, defendant No 2; Mr Wisit Songwattana, the lawyer representing Gen Yot Thephatsadin Na Ayuthaya, defendant No 3; Mr Khamnuan Chaloptham, the lawyer representing Air Chief Marshal Arun Phromthep, defendant No 4; Mr Kroek Rawangphai and Mr Nong Detphiban, the lawyers representing Master Sgt Manit Somthat and Master Sgt Wichian Worachai; and Mr Thongbai Thongpao, the lawyer representing the civilian defendants.

Mr Khamnuan said that the defense team will meet to discuss matters once more in order to call witnesses when examining witnesses. Gen Prem Tinsulanon, the prime minister, and Gen Athit Kamlangek, the supreme commander and RTA CINC, might be called as witnesses if the prosecution involves them.

Reporters asked whether they had discussed this with the defendants, particularly the senior military officers. Mr Khamnuan was also asked whether the defendants have become more confident of acquittal since the trial began. Mr Khamnuan said that lawyers meet with their clients regularly. Today, everyone is more confident of being acquitted.

"In cross-examining the witnesses, particularly Air Chief Marshal Praphan, the defense team feels that he will be fair to the defendants. He will testify based on what he actually saw. It is expected that he will answer the questions put to him in order to give the defendants a chance to prove their innocence," said Mr Khamnuan.

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THAILAND

POLICE DEFEND ACTIONS IN CHAMOY CASE

Bangkok MATICHON in Thai 16 Jan 86 pp 1, 2

[Excerpt] Police Maj Gen Bunchu Wangkanon, the commander of the Suppression Division, talked with reporters on 15 January about the Chamoy Thipso case. He said that there are now rumors that a group of people has transferred 2-4 billion baht to Thailand from abroad in order to compensate the shareholders of Mrs Chamoy. He said that based on the investigation conducted by the Suppression Division, this rumor does not seem to have any basis in fact. There is no evidence that this is true. Such rumors will only cause confusion and turmoil among the shareholders of Mrs Chamoy. This just creates false hope.

As for shareholders cursing Mrs Chamoy, Police Maj Gen Bunchu said that that would not do any good. As for the rumors that it is known who cheated Mrs Chamoy, which resulted in her being unable to pay her customers, he said that those rumors are false. Such rumors just harm those whom people suspect of having cheated Mrs Chamoy. And it is wrong to give people the idea that Mrs Chamoy is innocent of defrauding the people.

"If someone knows who stole this money and who has this money, they should inform the Suppression Division. If they have clear evidence, the Suppression Division will take action," said Police Maj Gen Bunchu. He also mentioned the rumors that the Suppression Division has not taken resolute action in the Mrs Chamoy case because it, too, is involved. He said that people are spreading these rumors in order to destroy those who are performing their duties. The Suppression Division has done its utmost to solve this case. The Department of Public Prosecutions has praised the Suppression Division. It says that it has a strong case, and it has filed charges in court.

Police Maj Gen Kasem Saengmit, the commander of the Special Branch Police, said that the Special Branch Police helped investigate this case. The rumors that certain people are behind Mrs Chamoy or that certain people have cheated Mrs Chamoy are just deceptions for which Mrs Chamoy is responsible. She has been trying to get people to believe this for a long time. After her arrest, she created a "Mr Prasit Chitthiphung" in order to turn people's attention away from her. Most recently, there have been rumors that a person by the name of "Phi Che" was behind this. The purpose is to lead the investigation astray.

"I can confirm that Mrs Chamoy did in fact defraud people and embezzle funds. There is no one else behind this. If such rumors affect national security, action will be taken against those who are spreading the rumors," said Police Maj Gen Kasem.

Police Maj Gen Kasem said that from the latest reports, the Special Branch Police have learned that Mr Ekkayut Anchanbut, the head of the Charter Interaction Share Fund, has left the country. He is now living in Europe. But he frequently travels to Singapore, Hong Kong and Taipei. He still has many business activities in Thailand. The Special Branch Police, in cooperation with the Suppression Division, is investigating this in order to determine in what activities he is involved, how much money is involved and whom his partners are. However, from the standpoint of the law, it may be difficult to take action against his business activities in Thailand, because officials cannot take legal action against his investment activities.

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THAILAND

SOUTHERN OFFICIAL ON CPM, SEPARATISTS' ATTACKS, GREETINGS

Bangkok MATICHON in Thai 27 Jan 86 p 5

[Interview with Cpt Wiwat Ruangmani, the district officer in Waeng District, Narawthiwat Province; date and place not specified]

[Excerpt] [Question] What is the situation like in Waeng District today?

[Answer] I was appointed district officer here in May 1985. The situation since then has been normal. However, the Malaysian communist guerrillas have been active in Ban Bala in Lochut Subdistrict. And they set mines at Village 3 in Lochut Subdistrict. Former Malaysian communist guerrillas who surrendered to officials and who were made Regional Security Volunteers have been assigned the task of helping officials. They have cleared the mines. The MCG group led by Mr Pochiha Yikasem has been active in Waeng District and Sukhirin Branch District. But they have not carried out any terrorist acts.

[Question] Have the bandit terrorists been active?

[Answer] As for the bandit terrorists, PULO has been moving troops into Waeng District from Malaysia at night in order to transfer them to Sukhirin Branch District and to Rangae and Sisakhon districts in Narathiwat Province. We have mobilized Regional Security Volunteers. Both the Malaysian communist guerrillas and the bandit terrorists know that many of the RSV are very skilled. The RSV have set ambushes three or four times. Thus, when we set up an ambush now, the Malaysian communist guerrillas and the bandit terrorists usually flee. The BRN have distributed leaflets in an attempt to stir up the people in Erawan Subdistrict. But the people have not paid any attention to them because they know that this is just a trick.

[Question] Have you ever led officials in a clash against Malaysian communist guerrillas or bandit terrorists?

[Answer] On 11 November 1985, I led a group of RSV in setting up an ambush at Ban Aipulong in Village 2, Sukhirin Subdistrict, Sukhirin Branch District, which adjoins Waeng District. There was a clash with the MCG group of Mr Pochiha Yikasem. One of the guerrillas was killed, but his comrades recovered his body. We seized one M-2 rifle. Mr Pochiha Yikasem was seriously wounded.

[Question] Have any Malaysian communist guerrillas or bandit terrorists contacted you and asked to surrender?

[Answer] Two bandit terrorists--Sama-ae Chelate, who comes from Ban Utaemachae, and Mr Abdul Hajj Yuso, who comes from Ban Bangotubu in Kayukhala Subidistrict--have surrendered. Both these men served with the bandit terrorists in Malaysia for 12 years. Mr Abdul Hajj Yuso once clashed with Thai officials at Ban Lubolaso in Sukhirin Branch District. Unfortunately, these men did not bring in any weapons when they surrendered. During questioning, they said that the weapons were stored at another location and, therefore, they could not surrender with their weapons.

[Question] When the previous district officer first arrived here, the Malaysian communist guerrillas sent letters and wished him a happy New Year. Have you received any such letters?

[Answer] Yes, I have received several letters and books. The latest letter was from the headquarters of the 12th Mobile Unit, Malayan People's Army. They wished me a happy New Year. This was a one-page, typed letter.

[Question] What about ordinary bandits?

[Answer] There aren't any ordinary bandits here because the people, particularly the Thai Moslems, are very strict about their religion. We send out roving patrols with no fixed target. Because of this, those who are thinking about becoming bandits are afraid to engage in such activities.

[Question] How is the district's economy?

[Answer] It is not very good. But people earn enough to survive. The main occupation of villagers here is para rubber. It rains here about 6-7 months out of the year. But the people manage to survive by being thrifty. They are not greedy. They live very simply and quietly. Besides working in the rubber plantations, people also grow rice. But they don't like to grow rice. There are three reasons for this. First, villagers often seek work in Malaysia, where they can earn about 200 baht a day. Thus, they prefer working in Malaysia to growing rice here.

Second, many of the fields have not been worked for a long time. It would take a lot of work to put them back into cultivation. Birds, rats, crabs and fish destroy yields. It's not worth the effort. Also, there is a lack of water in certain subdistricts. Thus, yields are low. It's just not worth the effort.

Third, the people lack enthusiasm for work. But they are satisfied. They manage to survive. Most are very religious. They are not greedy for material goods and so they are not very enthusiastic about work.

11943

CSO: 4207/159

THAILAND

AIR FORCE INTELLIGENCE CHIEF PROFILED

Bangkok DAILY NEWS in Thai 20 Jan 86 pp 5, 12

[DAILY NEWS Square column by Nanthana: "A 49-Year-Old Officer Is the Director of Air Force Intelligence"]

[Text] One of the young air vice marshals in the air force today is the director of air force intelligence. He is an experienced pilot and has flown both prop and jet aircraft. Besides this, he once served as the assistant air force attache in West Germany.

Air Vice Marshal Roegnchai Sanitphan was born on 23 April 1936 in Bangkok. He is the eldest son of Cpt Bun and Mrs Sutthanom Sanitphan. His father was a cadet in 1933 and was in the same class as Field Marshal Sarit Thanarat and Police Gen Phao Siyanon. Air Vice Marshal Roengchai is the oldest child in the family. He has six brothers and sisters: Lt Col Duangta Nikhomborirak, Phakakan Washburn, Warawora Intharaprasit, Aphiram Phinitakson, Ngamchit Chaowasin and Dr Nimitchai Sanitphan.

He completed lower secondary school at Saint Gabriel School and then entered Triemudom School in 1951. Fellow classmates included Wut and Wapi Phiromphakdi and Maj Gen Ariya Ukhotkit. After graduating, he entered the RTAF Academy as a member of Class 1. Fellow classmates included Air Marshal Kaset Rotchananin, Air Marshal Woranat Aphichari and Air Marshal Kan Phimanthip. He graduated from the Flying Training School in 1959. He then took the advanced fighter pilot training course at Luke Air Force Base in Arizona. He completed the course at the Squadron Officers School in 1968. He graduated from the U.S. Air Force Command and General Staff College in Alabama in 1970 and from the Air War College in 1982.

He served as an instructor with the 12th Fighter Squadron, the leader of the 11th Tactical Air Reconnaissance Squadron and an operations officer with the RTAF Air Transport Unit. He served with the U.N. forces in Korea. Following that, he served as the deputy commander of the cadet unit at the RTAF Academy and the deputy commander of the 4th Wing (Takli). He served as the assistant air attache in Bonn, West Germany, from 1979 to 1982. On his return, he was made the deputy director of air force intelligence. He has now been appointed director of air force intelligence. The Directorate of Intelligence deals with

intelligence of both an offenseive and defensive nature. The work concerns security, technical intelligence and foreign diplomatic relations.

As for his hobbies, he likes to listen to classical music, read articles, take sightseeing trips and play tennis. But at present, he does not have much spare time. His job keeps him very busy. One of his principles is to complete all the tasks that have been assigned him. At work, he is mild mannered and has good human relations. He is not stubborn. When he makes a mistake, he admits it and quickly corrects his mistake. He considers the opinions of others and always shows respect to his colleagues. He constantly searches for new ways of doing things.

He wants the people to know that the danger from the enemy is coming closer to us all the time. Only if we stop bickering among ourselves, talk with each other and unite will the nation survive and remain intact for our children and grandchildren. We must begin now or it may grow too late.

He has a very happy family life. He is married to Dr Raphin Sukhawanit. They have two daughters and two sons. The eldest daughter is Sonrat, a student in the Faculty of Literature at Chulalongkorn University. The second child is Anutra, a student in the Faculty of Dentistry at Chulalongkorn University. The third child is San, a 1st-year cadet at the RTAF Academy. The fourth child is Aphit, a Grade 12 student.

He is not yet 50 years old. Thus, he will undoubtedly play a major role at Don Muang during the next 10 years. He gets along very well with other people and is very sincere about his work. Because of this, everyone has great confidence and trust in him.

11943

CSO: 4207/149

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VOK REPORTS ANS, KPNLA ACTIONS IN JANUARY

BK070745 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 7 Feb 86

[Text] The newsroom of the Voice of the Khmer has received reports on activities conducted by the Sihanoukist National Army [ANS] and the Khmer People's National Liberation Army [KPNLA] in harrassing the Vietnamese in Cambodia's western provinces in January.

The ANS reported that on 7 January, 68 ANS combatants positioned in Tram Kang village, Srei Snam District, Siem Reap Province, clashed with a company of Vietnamese troops for 30 minutes. They killed four Vietnamese soldiers and wounded six others. One ANS soldier was killed and another wounded. On 8 January, a group of 42 ANS soldiers clashed with two Vietnamese companies on the road between Bak Noem and Khtoem village, Samraong District, Oddar Meanchey Province. The 15-minute engagement caused a number of Vietnamese casualties. Two AN soldiers were killed. On 30 January, at 1300, a group of ANS fighters conducting a reconnaissance mission in Khya village, Kouk Dong commune, Varin District, Siem Reap Province, ran into a platoon of Vietnamese soldiers without engagement. After the ANS soldiers had pulled out, the Vietnamese forces fired gas shells into Khya monastery, incapacitating three buddhist monks and killing a Cambodian inhabitant.

The KPNLA reported that it launched surprise attacks against several Vietnamese positions, causing some killed or wounded among the Vietnamese and destroying some war materiel. According to the report, on 9 January, at about 0300, KPNLA combatants set off explosions in an enemy ammunition depot. On 11 January, at 2110, KPNLA combatants used anti-tank mines to blow up a wooden bridge at Ta Ben and Svay Chek villages on Route 69 in Sisophon District, Battambang. On 15 January, at 1310, KPNLA combatants clashed for 5 minutes with Vietnamese troops along Sleng River in Sisophon District, causing serious injuries to two Vietnamese soldiers. On 25 January, at 1310, fierce fighting took place in the vicinity of Preah Net Preah mountain in Preah Net Preah District, Battambang Province, between a group of KPNLA combatants and Vietnamese troops. Two Vietnamese soldiers were killed and several others were wounded. On 30 January, at 0810, KPNLA combatants clashed with two groups of Vietnamese soldiers 7 km northwest of Khleng Por mountain, Sisophon District. The 5-minute battle wounded four Vietnamese soldiers. On 15 January, at 0618, the KPNLA attacked 200 Vietnamese soldiers positioned in Puol Khpos village northeast of Rung Chrey Commune, Mongkolborei District, Battambang. After

75 minutes of fighting, the Vietnamese forces abandoned their position, leaving behind 16 bodies and taking with them several wounded. No report on losses or injuries on the KPNLA side was available.

The Voice of the Khmer has just received another report saying that 30 KPNLA fighters clashed with Vietnamese forces from the 3d regiment of the 9th division in Soeng village, Sisophon District. Two Vietnamese soldiers were killed.

/8918

CSO: 4212/56



COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK REPORTS 17 VILLAGES 'LIBERATED' 2, 3 FEB

BK080306 (Clandestine) Voice of the National Army of Democratic Kampuchea in  
Cambodian 2315 GMT 7 Feb 86

[Battle report from various battlefields]

[Excerpts] Kompong Cham battlefield: On the morning of 2 February, our National Army launched an attack to disperse the Vietnamese commune administrative networks at Roka Koy commune in Kang Mess District along the Mekong River bank. After 15 minutes of fighting, we liberated this commune. We killed or wounded a number of Vietnamese soldiers; destroyed 4 commune office buildings, 4 military training schools, 20 barracks, 20 82-mm mortar shells, 15 Soviet-made mines and some war materiel; and liberated 4 villages, namely Svay Kraham, Roka Koy, (Thmei), and Krakor.

On the night of 2 February, our National Army attacked and dismantled the Vietnamese commune administration at Peam Chikang commune in Kang Meas District. We killed two Vietnamese soldiers and wounded some others. We destroyed two commune office buildings, one rice milling machine, one power generator, two barrels of fuel oil, and a 40-meter bridge at O Kandal on the road from Peam Chikang to Prey Totoeng. We liberated two villages, namely Prey Krabau and Peam Chikang.

On 2 February, we attacked and totally dismantled the Vietnamese commune administration at Krakor commune in Kompong Siem District. We killed two Vietnamese soldiers and wounded five others; destroyed three AR-15's, two commune office buildings, two barracks, and two 100-ton motorboats loaded with materiel; seized five AR-15's, one carbine, and some war materiel; and liberated three villages, namely Krakor, Chamka Samsip, and Kompong Krabei.

Kompong Thom battlefield: On 3 February our National Army attacked and dismantled the Vietnamese commune administration at Kompong Svay commune located at (Peam Ches) in Kompong Svay District. We killed or wounded some Vietnamese soldiers; destroyed 1 commune office building and 1 paddy storehouse containing 30 sacks of paddy; seized 1 AK and 1 carbine; and liberate 4 villages, namely Peam Chas, Tnaot, Kompong Svay, and (Chok Chey).

Moung battlefield: On 2 February our National Army attacked and dismantled the Vietnamese commune administration at Prey Svay commune in Moung District. We killed two Vietnamese soldiers and wounded two others; destroyed one commune office building, one barracks, and some war materiel; and liberated four villages, namely O Treas, Kanchos, Run, and Prey Svay.

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK COMMENTS ON DKNA SUCCESSES IN JANUARY

BK120448 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT  
11 Feb 86

[Station Commentary: "Our National Army and Guerrillas of Democratic Kampuchea Throughout the Country Brilliantly Fulfilled Their January Tasks in Accordance with the Directive of Our DKNA Supreme Command"]

[Text] Firmly grasping the 1 January directive of our Democratic Kampuchean National Army [DKNA] Supreme Command, our national army and guerrillas throughout the country more vigorously, actively, and penetratingly attacked the Vietnamese enemy aggressors in all the three groups of battlefields, causing them to become more confused, tied up, and harassed. From the end of the rainy season to mid-January, the Vietnamese enemy aggressors kept an uninterrupted flow of fresh troops, tanks, artillery pieces, and war materiel into Cambodia in an attempt to launch another major offensive during this eighth dry season to help redress their situation marked by serious setbacks on the Cambodian battlefield. However, this major offensive plan has been postponed again and again because our national army and guerrillas kept attacking them more and more vigorously on the battlefields along the border as well as on those around Tonle Sap lake, around Phnom Penh, and in all provinces throughout the country.

Moreover, in January 1986, the attacks of our national army and guerrillas increased steadily. Therefore, so far, the Vietnamese have not been able to launch any significant operation as expected.

On the battlefields around Phnom Penh, our national army and guerrillas continued to conduct hit-and-run activities and to scatter and demolish Vietnamese enemy commune and village administrative apparatuses in the regions north, northwest, and southwest of Phnom Penh with a high sense of creativity according to our new 5-point attack tactics.

On 19 January, our DKNA opened fire in the region east of Phnom Penh as we attacked and liberated the Sithor Kandal District capital in Prey Veng Province. At the same time, we also scattered and demolished the Vietnamese commune administrations in Mohaleap commune, Kaoh Sotin District, in Kanhchriech commune, Kanhchriech District, in Krabau commune, Kamchay Mea District, and Prey in Daeum Thnoeng commune, Sithor Kandal District.

On 26 January, we swept, scattered, and demolished the Vietnamese commune administrations along the Mekong River from Roka Kaong township in Muk Kampul District up to Angkor Ban commune--a distance of 35 km--liberating Roka Kaong in Muk Kampul District, Thlok Chreou township in Kang Meas District, and 10 communes in Kang Meas District. This development caused utter confusion and panic to the Vietnamese who did not expect that our forces to attack them there. As a result, Phnom Penh has become a point of constant and growing concern for the Vietnamese enemy aggressors.

In the first group of battlefields, we continued to attack the Vietnamese according to the 5-point attack tactics in the five provinces around Tonle Sap lake. We continued to attack them more actively and more penetratingly. In fact, we attacked and destroyed Sisophon township, swept, scattered, and demolished the Vietnamese enemy village and commune administrations along national Route 5 from Bavel down to Kompong Preah commune and from Anlung Vil up to Ta Hen village, swept four Vietnamese company positions along the Stoeng Chas stream, and scattered and demolished the Vietnamese commune administration at Andaeuk Hep in Battambang District. We swept, scattered, and demolished the Vietnamese village and commune administrations along national Route 5 from Paoy Samraong village to O Ta Ki village, attacked and liberated Ta Moem township in Battambang District where we liberated nine villages, and fired 107-mm rockets into Battambang town. We attacked and liberated Kompong Luong and Krakor townships in Pursat Province, attacked Rumlong township in Baray District, attacked, scattered, and demolished the Vietnamese commune administration in Treas commune, Baray District, where we liberated 10 villages, and continued to sweep the Vietnamese enemy from Rumlong market on national Route 6 down to the vicinity of Tang Kouk township. We swept the Vietnamese from a 16-km stretch of national Route 6, namely from Panhnha Chi village close to Kompong Thom town down to Cheay Sbai village in Santuk District. We ambushed a Vietnamese battalion on the Kompong Thom battlefield, fired 107-mm rockets into Siem Reap town's airport, scattered and demolished Vietnamese village and commune administrations in Chhuk commune, Banteay Srei District, and completely destroyed the Chhuk commune position. We swept the Vietnamese enemy along the Tonle Sap River from Kaoh Thkov down to Kompong Ta Ches township in Kompong Tralach District, and so on.

In the third group of battlefields, we swept the Vietnamese along the Mekong River from Sandan village down to Kakot village in Kratie District. We attacked and pushed out the Vietnamese in Cheung Prey District along Route 6, liberating 20 villages. We swept, scattered, and demolished the Vietnamese village and commune administrations along the east bank of the Mekong River from Prek Achi village in Kroch Chhma District down to Pream Chilean commune in Tbong Khmum District, liberating three communes namely Prek Achi commune, Kompong Treas commune. In Kroch Chhma District, and Pream Chileang commune in Tbong Khmum District. We scattered and demolished Vietnamese village and commune administrations in Tuol Khleang commune, Stoeng Trang District, and liberated seven villages. We swept, scattered, and demolished their village and commune administrations along the Mekong River from Roka Koy commune down to Pream Chikang commune in Kang Meas District--a distance of 35 km. We attacked Vietnamese positions in the rubber plantations of Chamka Leu District, Kompong Cham Province, and so on.

Moreover, our forces in all provinces from Ratanakiri, Mondolkiri, Stoeng Treng, and Kratie down to Kompong Speu, Takeo, and Kampot attacked the Vietnamese enemy according to our 5-point combat tactics, causing panic and confusion to the enemy everywhere.

In the group of battlefields along the border, we continued to attack the enemy penetratingly, regularly killing or wounding Vietnamese soldiers and destroying a number of Vietnamese positions.

In sum, during January 1986 we greatly stepped up our activities against the Vietnamese enemy aggressors, opening many new battlefields, especially east and north of Phnom Penh and along the Mekong River from Kratie down to Kompong Cham Province. We liberated and demolished village and commune administrations and townships and destroyed the forces of the Vietnamese enemy in greater numbers than in previous months.

These activities of our national army and guerrillas have greatly encouraged our people and the Cambodian militiamen and soldiers forcibly drafted into their service by the Vietnamese aggressors, prompting them to rise up and attack the Vietnamese enemy with greater enthusiasm, helping to further accelerate our struggle against the Vietnamese enemy aggressors.

As for the Vietnamese enemy aggressors, they have become more confused, panic stricken, and tied up. For this reason, although the Le Duan authorities have sent fresh troops from Vietnam to Cambodia in an attempt to launch their major offensive along the border in this eighth dry season, their forces remain insufficient because they are forced to spread out to cope with our attacks everywhere in Cambodia. Therefore, in January 1986, our national army and guerrillas throughout the country successfully fulfilled their tasks by attacking and pinning down the Vietnamese enemy aggressors everywhere, preventing them from conducting their offensive as planned and causing greater difficulties to them. In February, our forces throughout the country will continue to attack the Vietnamese enemy aggressors according to the 5-point combat tactics as advised by the directive of our DKNA supreme command more actively and powerfully in order to successfully conclude the eighth dry season and create good conditions for attacks against the Vietnamese enemy aggressors in the coming rainy season.

Provided we continue vigorously, actively, and penetratingly to attack the Vietnamese enemy aggressors according to our 5-point combat tactics with a high sense of creativeness and initiative, we will be able to chase the Vietnamese enemy aggressors out of our beloved country, liberating our beloved fatherland from the genocidal Vietnamese enemy aggressors in the not too distant future. The Hanoi authorities, no matter how stubborn, will not be able to endure the dire difficulties in Cambodia, in Vietnam, and on the international stage forever. In the end, they will be forced to unconditionally withdraw all their aggressive troops from Cambodia in accordance with the seven UN resolutions.

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CSO: 4212/56

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

THAI DAILY ON KHMER ROUGE-SRV BATTLE FOR HILL

BK120127 Bangkok THE NATION in English 12 Feb 86 p 5

[Text] Fighting between Vietnamese troops and Khmer Rouge guerrillas for control of a hilltop on the Thai-Kampuchean border opposite the eastern province of Trat died down over weekend, a senior military official said yesterday.

The official, who requested anonymity, told THE NATION that the hilltop, called by the Thai military "Hill 971," was still a contested area between the rival forces.

Hill 971, located on Banthat mountain range bordering Thailand and Kampuchea, was formerly used as a supply base for the second division of the Khmer Rouge force.

The Vietnamese in the middle of last month launched an all-out attack to drive the guerrillas out of a network of outposts and supply bases of the Khmer Rouge second division. The resistance bases covered more than 10 kilometres on Banthat mountain range opposite the northern area of Muang District in Trat.

According to military sources, the fighting had been fierce since then.

The military official said the fighting this month was initiated by the guerrillas who are attempting to retake Hill 971 from the Vietnamese. Hanoi's troops during the third week of last month managed to capture several hilltops including Hill 971.

According to the military official, the Khmer Rouge guerrillas at the end of last month recaptured one of the hilltops from the Vietnamese. The hilltop, called "Hill 789," is located about two kilometres from Hill 971.

He also said some of the Thai displaced villagers have returned to their home village of Ban Khlong Yai from an evacuation centre at Nong Bon village in Pong Nam Ron District where they had taken refuge for more than 2 months.

/8918  
CSO: 4212/56

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

BRIEFS

SATELLITE LAUNCHING--To His Excellency Li Xianian, president of the PRC. Esteemed president of the PRC: The Cambodian people, the CGDK, and myself are very happy to hear about the PRC's great success in launching a telecommunications and broadcasting satellite--the second such satellite launched by China. We would like to express warm congratulations to the great people of China, the Communist Party, and the government of the PRC, as well as to the Chinese technicians involved. We are very happy at the great and rapid progress made by the Chinese people in all fields in their national construction in accordance with the open-door and four modernization policies, wise policies which have brought great prosperity to the Chinese people and ensured the rapid development of China, thereby contributing to peace and freedom in the world, particularly in our Third World countries. Please accept my highest regards. ["Text" of Undated Congratulatory Message from DK President Norodom Sihanouk to PRK President Li Xiannian on Launching of Telecommunications and Broadcasting Satellite] [Text] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 6 Feb 86 BK] /8918

SRV SOLDIERS DESERT--On 21 January, 50 Vietnamese soldiers posted in the vicinity of (Areng) in Leach District of Pursat Province deserted and fled back to Vietnam due to war weariness. [Excerpt] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 6 Feb 86 BK] /8918

VOK REPORTS SRV TROOP MOVEMENTS--The Voice of the Khmer military sources reported the following movements of the Vietnamese and Heng Samrin soldiers in Battambang and Oddar Meanchey provinces last week. On 25 January, Vietnam sent 300 Heng Samrin soldiers armed with all sorts of weapons from Kompong Chhnang Province to Ratanamondol District, Battambang Province. On 29 January, 300 Vietnamese soldiers from the 9th Division pulled out of Nimit village and rallied in Sisophon District. On 1 February, some 100 Vietnamese soldiers from the 75th Division were taken on four trucks trailing behind them two 105-mm artillery pieces from Thmar Puok District to Sisophon District. On the following day, a number of Heng Samrin soldiers from the 179th Division transported shelter building materials on 12 trucks from Sisophon to Svay Chek village. On 2 February, some 300 Vietnamese soldiers from the 250th Brigade, 59th Division, armed with heavy weapons were sent from Heng Ban mountain to be deployed southwest of Malai mountain, Poipet District. There is also a report on the situation concerning the position of Heng Samrin soldiers in Samraong District, Oddar Meanchey Province. It was learned that recently 1,000 Heng

Samrin soldiers were positioned 3 km from Samraong township along with the following weapons: 4 82-mm mortars, 6 60-mm mortars, 10 75-mm recoilless rifles, and 1 130-mm gun. [Text] [(Clandestine) Voice of the Khmer in Cambodian 0500 GMT 7 Feb 86 BK] /8918

VOK REPORTS KPNLF ACTIVITIES--The Khmer People's National Liberation Front reported that from 1 to 31 January the Khmer People's National Liberation Army [KPNLA] ambushed and attacked the Vietnamese enemy aggressors at several places in Battambang Province, killing or wounding a number of Vietnamese and destroying a quantity of war equipment. This report revealed that in Sisophon District the KPNLA attacked and raided Vietnamese troops encampments in Khleung Por, Kouk Dong, Khvav, Ta Ma, Reak Ach, Toap Sikem, Soeng, Thnaot, O Bei Choan, Stoeng Sleng, Sa Kong, Boeng Chhat, and Ang Kanseng villages, killing 18 Vietnamese soldiers and wounding 28 others and destroying an ammunition depot. Two Vietnamese soldiers defected to the KPNLA side in this region. Three KPNLA combatants were killed and 15 others were wounded. In Preah Net Preah District, the report said the KPNLA launched surprise attacks against the Vietnamese in Boeng Khleang, Trach, Prey Khpos, and Phnum Preah villages, killing three Vietnamese soldiers and wounding several others. One KPNLA combatant was killed and three others were wounded. In Thmr Puok District, the KPNLA attacked Vietnamese soldiers in Svay and Thnal Dach villages, killing two Vietnamese soldiers and wounding four others. Two KPNLA combatants were killed. In Mongkolboreil District, the KPNLF reported that KPNLA combatants killed or wounded 64 Vietnamese soldiers at Veal Pram Roy. [Text] [(Clandestine) Voice of the Khmer in Cambodian 1300 GMT 7 Feb 86 BK] /8918

THREE VILLAGES FREED--Kompong Thom battlefield: On 25 January, our National Army attacked and totally dismantled the Vietnamese commune administration at Sreung commune in Santuk District. We killed or wounded a number of Vietnamese soldiers and liberated three villages, namely Sreung, Thmei, and Anlung Sleng. [Battle report from various battlefields] [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Feb 86 BK] /8918

KPNLF ARMY ACTIVITIES--Clashes between the Khmer People's National Liberation Army [KPNLA] and Vietnamese troops took place daily in the interior of the country following attacks, harassments, and ambushes by the KPNLA. According to a report from the Battambang battlefield, on 2 January, at 1830, KPNLA combatants ambushed a company of Vietnamese troops 4 km north of Soeng village, Sisophon District, Battambang Province. The 15-minute clash resulted in two Vietnamese killed and some wounded. On 3 January, at 0700, KPNLA combatants ambushed a Vietnamese transport truck convoy near Kakaoh village, Thmar Puok District, Battambang Province. Following 7 minutes of heavy firing, four Vietnamese experts and a Heng Samrin soldier were killed. Our KPNLA destroyed three trucks and some war materiel. [Text] [(Clandestine) Voice of the Khmer in Cambodian 1100 GMT 8 Feb 86 BK] /8918

XIANNIAN FETES SIHANOUK--As the Chinese traditional new year drew near, on the night of 7 February PRC President Li Xiannian hosted a banquet for DK President Samdech Norodom Sihanouk and his wife. During the banquet, the Samdech president of Democratic Kampuchea congratulated China on its success

in implementing the open-door policy. Also present at the banquet, which proceeded in an atmosphere of warmest friendship, were PRC Foreign Minister Wu Xueqian and Democratic Kampuchean Ambassador to China Chan Youran. [Text] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 9 Feb 86 BK] /8918

SRV, PRK TROOP MOVEMENTS--Military sources of the Voice of the Khmer radio reported the following activities by Vietnamese troops and Heng Samrin soldiers who underwent repositioning in various regions early this month. On 2 February, the Vietnamese sent two 15-meter-long patrol boats armed with 12.7-mm machine-guns and antiaircraft guns from Vietnam to Kompong Som port. They use these boats to increase patrols and search fishing boats plying between Kompong Som and Koh Kong. On the same day, some 1,000 Vietnamese soldiers from the 75th Division were sent on 24 trucks from Kandaol village, Thmar Puok District, to their main command base at Chup village in Preah Net Preah District, Battambang Province. Meanwhile, Vietnamese troops of the 75th Division stationed at Saravan mountain sent two T-54 tanks to Kbal Khting village, Sisophon District. On 3 February, a number of Vietnamese troops from the 75th Division stationed at Salang village were sent to Thmar Puok village, Thmar Puok District, in three armored personnel carriers. On the same day, the Vietnamese transported eight truckloads of barbed wire from Sisophon District to Thmar Puok village. On 5 February, the Vietnamese transported 1,000 bags of rice from Kompong Som port to their position northwest of Hill 159 in Mondoleseima District, 3 km from Koh Kong. [Text] [(Clandestine) Voice of the Khmer in Cambodian 1000 GMT 10 Feb 86 BK] /8918

VILLAGERS IN BATTAMBANG LIBERATED--Battambang battlefield: On 7 February, our national army attacked and dismantled the Vietnamese administration at Ta Pon commune along Stoeng Chas riverbank in Sangke District. We killed one Vietnamese soldier and wounded another. We destroyed one commune office building, four barracks, and some war materiel; and liberated three villages, namely Ta Pon Ti Muoy, Ta Pon Ti Pi, and O Krasang. South Battambang battlefield: On 7 February, our national army attacked and dismantled the Vietnamese administration at Thippdei commune. We killed or wounded some Vietnamese soldiers and liberated three villages, namely Samraong, Kilo Lek Buon, and Kbal Thnal. [Battle Report from Various Battlefields] [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 12 Feb 86 BK] /8918

VOK REPORTS ANS FORCES' ACTIONS--VOK sources report that ANS forces carried out 8 guerrilla attacks against Vietnamese forces in Cambodia in January, killing 40 enemy soldiers. The ANS soldiers attacked and harassed Vietnamese positions for short periods between 5 and 30 minutes in Siem Reap and Battambang provinces. The clashes occurred mostly near national routes, villages, and provincial seats. Sometimes, the ANS soldiers attacked Vietnamese positions in broad daylight when opportunities arise in accordance with guerrillas' tactics. Western observers say that although these attacks are small-scale ones, they show that the ANS troops have made military progress indicating their capabilities in fighting against the Vietnamese aggressors. [Text] [(Clandestine) Voice of the Khmer in Cambodian 1100 GMT 12 Feb 86 BK] /8918



VOK REPORTS SRV TROOP MOVEMENTS--VOK has received the following reports on movements of Vietnamese and Heng Samrin soldiers: On 2 February, about 150 Vietnamese soldiers from the 75th Division were dispatched by trucks, accompanied by 4 105-mm cannons from Kouk Khvav village to Sisophon District [Battambang Province]. On the same day, about 100 Heng Samrin soldiers of the 4th Division were dispatched in 4 trucks from Preah Net Preah to Thmar Puok District in Battambang Province. [Text] [(Clandestine) Voice of the Khmer in Cambodian 1100 GMT 12 Feb 86 BK] /8918

CSO: 4212/56

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